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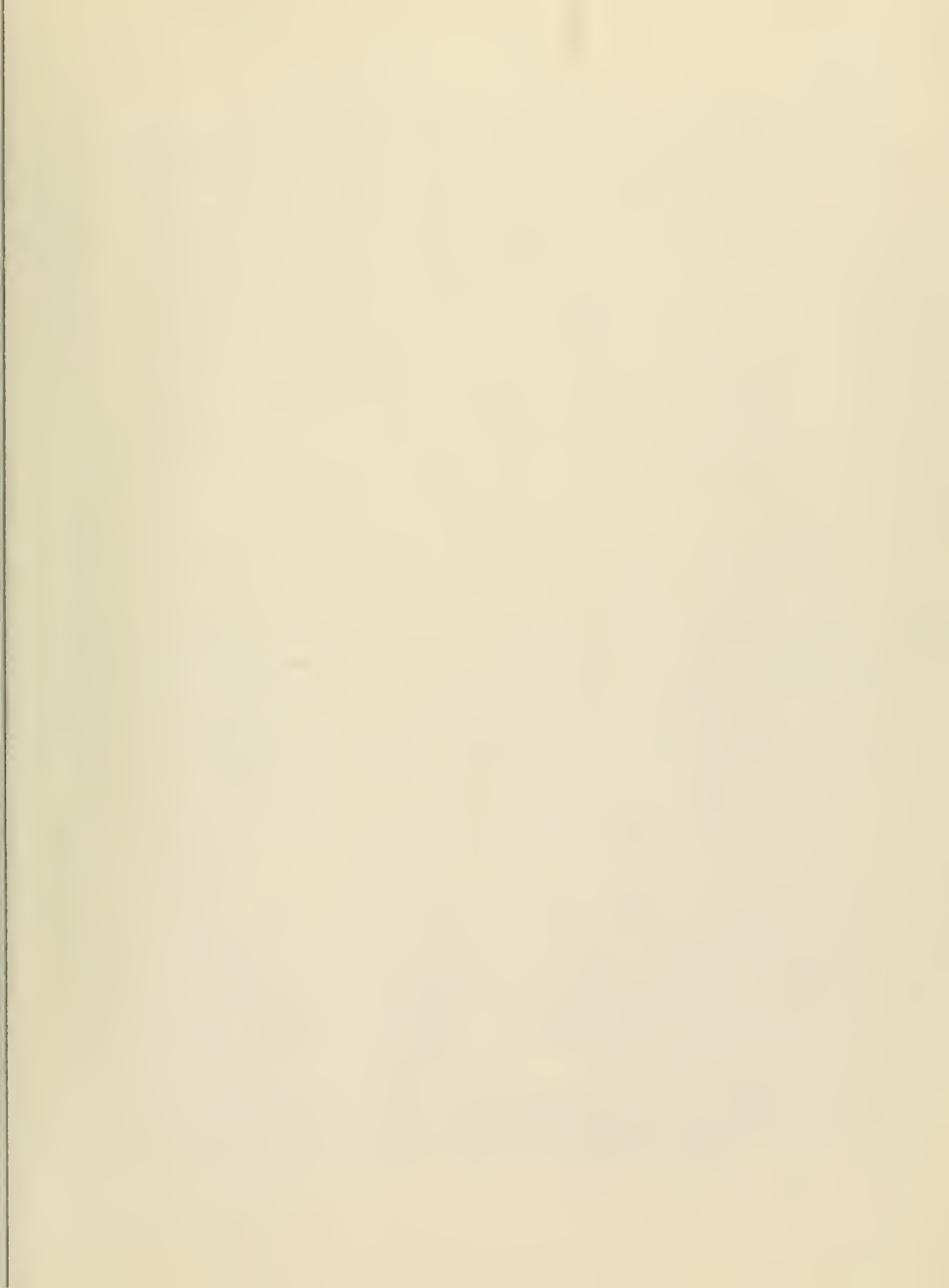
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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
12TH DAY OF SEPTEMBER 1978

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of September 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee

NOV 15 1978

and the following was absent:

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Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Paul Hardman, Pride Foundation; Richard J. Scott, William H. Clapp, Steve Lyon, and Sam Caniglia, Pacific Trade Associates, Inc.; Piero Patri and Charles Sink, Whisler/Patri; Tom Callinan, Jack Jarrell, and H. William Harlan, Pacific Union Development Company; Rhody Laigo, San Francisco Golden Gate Trade Center; Richard Boyle, Rizal Plaza; M. Wong, T/W Associates; Clinton Bailey, San Francisco Coalition; Frank Mangrobang, Jovita Buted, Gabriela Tambio, Vickie Delano, Dr. Steven Sadang, R. B. Galicia, and R. Z. Delano, Philippine Cultural and Trade Center; Miolo Calderon, Goodman Group; and J. Sheppard, M. Donald Katz, and W. B. McDowell, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the minutes of a Regular Meeting, of June 13, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Shelley, seconded by Mr. Blomquist, and unanimously carried that the minutes of a Regular Meeting of August 22, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of August 29, 1978, as distributed by mail to the Commissioners, be approved.

President Wexler indicated that there were a number of persons wishing to be heard on Agenda items and requested that those desiring to speak on specific items fill out speaker request cards which could be found on the table at the rear of the meeting room. After completion these cards were to be given to the Agency Secretary.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that the Agency was in receipt of a letter from the Office of the Mayor concerning travel policy. He noted that the inquiry resulted from certain findings by budget analyst, Harvey Rose, during his evaluation of the San Francisco Housing Authority. The Mayor had expressed concern about Housing Authority procedures and inquired about the Agency's policy. President Wexler noted that he had met with the Mayor and discussed the policy of the Agency, which requires approval by the entire Commission of any travel in excess of \$300. Under that policy the President is authorized to approve travel up to that amount. He noted that this travel was also reflected in the budget of the Community Development Fund applications made by the Agency annually. The budget also outlines the purpose of travel and the amount allocated for each travel category.

President Wexler stressed the fact that during the past two years no Agency Commissioners had traveled using Agency funds, and that all staff travel had been in accordance with the policy adopted by the Commissioners. He reported that the Mayor appeared to be pleased at the control the Agency had in effect over its travel budget and urged that it continue this same procedure. President Wexler noted that he would be responding formally to the Mayor's letter summarizing this conversation, and he believed the Agency should be commended for the responsible way in which it had handled this facet of its budget.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Mr. Hamilton indicated that the Commissioners and public would be receiving formal invitations to the dedication ceremony of the Hilltop Park in Hunters Point, and he wished them to reserve the time of 11 a.m., Saturday, September 2, 1978, for an event in that project. The Agency now has the largest and best sundial in the United States and it is planning to stage a celebration for people to come and see it firsthand. The sundial was designed by the noted sculptor, Jacques Overhoff, and it stands 50 feet high and keeps perfect time to the minute. It also identifies the site of San Francisco's newest and finest park, Hilltop Park. He indicated that when he had called this the city's newest and finest park, this was not solely an expression of his own opinion, for Mr. Jack Spring, General Manager of the City's Recreation and Park Department, had also believed it to be the best park in San Francisco. Mr. Hamilton considered this to be extremely high praise. The park is to be dedicated and opened to the public on September 23 and he urged everyone to come and share in the happy event.

NEW BUSINESS

- (a) Resolution No. 212-78 granting Pacific Trade Associates, Inc., exclusive negotiating rights for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This matter concerns the granting of exclusive negotiating rights to a developer for Block 762-A in Western Addition Area A-2. This block is bounded Van Ness and Golden Gate Avenues and Franklin and Turk Streets. In response to public reoffering of this parcel, the Agency received five development proposals.

NEW BUSINESS (continued)

Four of the proposals included the persons having some tie with the Filipino community, specifically, those associated with the Philippine Cultural and Trade Center, Inc. (PCTC), a portion of the joint venture which previously attempted to develop this parcel. These four groups are: Pacific Trade Association Inc.; Rizal Plaza, a joint venture; Golden Gate Trade Center Inc.; and Philippine-American International Corporation. In addition to these, a fifth proposal, known as Opera Tower Plaza, was received from Opera Towers Inc., which was submitted by the Pacific Union Development Company and Pacific Union Company, comprising a limited partnership known as Opera Towers Inc. In addition to these five proposals, two letters of interest were received from the State of California Department of General Services and Mrs. L. Meyer on behalf of the French-American Bilingual School. A synopsis of each of the proposals has been forwarded to the Commissioners for review. Mr. Hamilton indicated that after an evaluation of all proposals, staff recommends granting of exclusive negotiating rights to Pacific Trade Associates Inc. (PTA) for a 30-day period to allow them to determine the feasibility of including residential units in the development. Their present proposal calls for 365,000 square feet of office space, 69,000 square feet of commercial space, and 804 parking spaces in an underground garage to serve these uses.

Mr. Hamilton stressed that it is the belief of staff that a mix of uses should be included in this block which contains some residential. He noted that the other proposal having potential for the Commissioners' consideration was one submitted by Opera Towers Inc., which suggested development of 396 residential condominiums.

Pacific Trade Associates, Inc. (PTA) has indicated that it would partially utilize plans previously prepared by Whisler-Patri and Associates for the Philippine Cultural and Trade Center - Walter C. Haas Development proposal previously made on this site. The development essentially would comprise two six-story buildings with two ten-story buildings.

Staff has asked that PTA consider including residential in one of the two ten-story buildings. Because PTA proposes to use existing plans, it has stated that construction could begin within six months from the date of developer designation. Such designation would follow the 30-day period during which PTA would be required to find the residential use feasible. If it was found to be infeasible, then staff would recommend that the Commissioners reevaluate the proposal; however, if the residential use is feasible, the developer would then be required to redesign the plans and complete them for architectural staff review. A 60-day period would be allowed for completion of this action. One of the considerations in recommending PTA was the agreement reached between PTA and the current leadership of PCTC to reimburse PCTC investors to \$500,000 for previously incurred expenses and \$120,000 to replace the PCTC performance deposit, which was retained by the Agency for its previous proposal. PTA has agreed to make these payments scheduled on the draw-down of construction funds with the requirement that PCTC pay all existing creditors. PTA has satisfied the Agency General Counsel that creditors with liens against the deposit have concurred in this proposed settlement.

Mr. Hamilton again noted that it was staff's recommendation that PTA be granted exclusive negotiation rights for this parcel to determine if residential uses could be feasibly included in the commercial and office mix.

NEW BUSINESS (continued)

The Western Addition Addition Project Area Committee (WAPAC) has considered the proposal and has also concurred in the designation of PTA. Mr. Hamilton noted that parking spaces in none of the proposals satisfied or eliminated the need for construction of the Performing Arts Center Garage. President Wexler indicated that nine persons had submitted cards indicating that they wished to speak and suggested that each speaker be allowed five minutes.

RULE OF THE CHAIR

President Wexler indicated that subject to the objection of any Commissioner, a five-minute speaking limit would be imposed on those wishing to comment on the matter under consideration. There being no objections, it was so ordered.

Mr. Thomas Callinan, representing the Pacific Union Development Company, came forward and indicated that he believed the development proposal of Opera Tower Inc., represented the best use of the site. He indicated his firm had evaluated the real estate market and found the major demand in San Francisco was for housing units. Mr. Callinan noted that the Opera Towers proposal would use the Senate Bill 99 financing program to provide long-term financing for prospective purchases of the 396 condominiums in the development. He believed his company had met the requirements as set forth by the Agency for development capacity, plus marketing expertise. He believed there was no market for more office space in San Francisco because there was presently 7 million square feet of office space being planned or built at the present time, and he did not believe the city had the capacity to absorb additional units.

Mr. Callinan indicated that subsequent to submitting his proposal, he had been informed of the issue of the Filipino community's interest in the site. Staff had advised him that the Filipino community wished to have it for a cultural center on the site. His development team was prepared to provide 5,000 to 6,000 square feet of space to the Filipino community on a cost basis for use as a culture center. Mr. Callinan indicated that his development team was interested only in the development aspect and did not wish to become involved in any political questions. He reiterated his belief Opera Towers, Inc. had submitted the most viable proposal and urged the Commissioners to consider it favorably.

Mr. H. William Harlan, Pacific Union Development Company (PUDC) commented on the review by the development team of the market's ability to absorb additional commercial space. He believed that there was an outstanding shortage of housing and that PUDC's market studies had shown there would be no question the units would sell. He noted the expertise of his firm in selling over \$40 million of housing in the past four years and commented on its expertise in evaluating the market. He stressed housing could be provided at prices which most people could afford.

Mr. Richard J. Scott, representing PTA, commented on the PTA proposal noting that the proposal included an expression of interest from lending institutions for possible participation following developer designation. There are indications that there is a demand for office space with large floor areas and he noted that PTA has evaluated the market for this space. He noted that the



NEW BUSINESS (continued)

Filipinos had been working on the project for a number of years and that his team proposed to reimburse them for the eligible cost this group had incurred. Mr. Scott indicated that a number of representatives from his development team were present and had asked to speak on the matter.

Mr. William H. Clapp of the Allied Services Group (ASG), a marketing and financial consultant firm, came forward and indicated that since November 1977, his team had been interested in the development of this block. He indicated that had the Agency responded to an earlier proposal from PTA development could have been under construction at the present time. He indicated that ASG had substantiated a demand for 155 percent leasing of the total project and he read an excerpt from a letter from Norris Beggs and Simpson that there was a great demand for this type of project. Mr. Clapp stressed the team had great individual financial expertise and mortgage banking experience. He believed PTA represented a strong group with a proven market for office space in the existing plan and urged that it be granted exclusive negotiating rights.

Mr. Piero Patri of Whisler/Patri indicated he had done extensive design work on the project and he recalled that as the architect for the Philippine Cultural and Trade Center-Walter C. Haas joint venture, the plans for the development had been ready for working drawings; therefore, extensive preliminary engineering and design work had been completed, and he anticipated that PTA should move quickly on a fast-track basis to move the project into construction at an early date.

Mr. Richard Boyle, representing Rizal Plaza, indicated that he had been elected by a unanimous vote of the members of the PCTC and noted he had been assigned to help prepare a proposal which would fulfill the Board of Supervisor's resolution directing that the Filipinos be allowed to develop a cultural center with the Agency's support. Mr. Boyle indicated that there was dispute among the board of directors concerning two executorial statements relinquishing rights. He believed that the essential fact to consider was the need to provide the Filipino community with a cultural center and urged that the Commissioners consider the proposal which would allow them to do this.

President Wexler inquired if Mr. Boyle was present on behalf of the Rizal Plaza proposal, and Mr. Boyle answered affirmatively. President Wexler asked if the Rizal group would cooperate with PTA if PTA were designated as developer. Mr. Boyle indicated that members of the Filipino community were present and would oppose PTA's designation. Mr. Boyle indicated these included Mrs. Jovita Buted and other representatives.

President Wexler inquired if the Golden Gate Trade Center Inc. or the Philippine-American International Corporation, were designated as developers would his group associate with either of these. Mr. Boyle indicated that in order to promote Filipino community unity, Rizal Plaza would cooperate with a combination of either of these two proposals.



NEW BUSINESS (continued)

Mrs. Jovita Buted came forward indicating that she was a member of the Filipino community in San Francisco and was affiliated with the PCTC. She noted the number of organizations in which she had participated and indicated she opposed the designation of PTA as the developer of this site. She noted she had not signed an agreement with PTA and believed their proposal did not serve the interests of the Filipino community.

Mrs. Buted expressed her belief that some of the consultants who had been involved in the PCTC had used knowledge that they had gained in forming another group which was now being considered for designation.

Dr. Steven Sadang came forward and indicated that he was a founding member of the PCTC and wished to express his opposition to the designation of PTA for development of this parcel. He recalled that the consultant to the PCTC group, Mr. William A. Keller, has assisted them in organizing the original development proposal. Dr. Sadang believed that Mr. Keller had used knowledge gained while employed by PCTC to obtain development interests in the parcel for himself. He also expressed the belief that the PCTC attorney had similarly benefitted from his employment by PCTC in furthering his interest in PTA. Dr. Sadang believed that this was an inappropriate use of the knowledge gained by the persons who had been consultants to his group and urged that the Commissioners consider granting exclusive negotiating rights to the three development teams willing to jointly associate for the development of this parcel. Dr. Sadang also alleged that PCTC had its corporate rights suspended and cited a federal taxation code section which had been violated when PCTC did not file its tax for 1977. He also believed that PCTC had not submitted a statement of earnings for that year. Dr. Sadang believed that any attempt of PCTC to do business as a corporate entity would be a violation of the law and that meeting of the shareholders were not valid. He urged that the Commissioners not treat PCTC as a viable corporate entity.

Mrs. Rhody E. Laigo indicated that she was president of the Golden Gate Trade Center Inc. and had been involved in development efforts of the Block 762 since 1973, when PCTC deposited \$120,000 on the parcel. She believed that this money belonged to the investors in the original development proposal and alleged that now another entity had come forward to compete with the Filipino community for the money. Mrs. Laigo indicated that an investment firm in Los Angeles had guaranteed provision of \$35 million to complete the development proposal. Mrs. Laigo noted that the Japanese and Chinese had cultural centers and she believed the Filipino residents were also entitled to such a cultural development. She expressed the belief that the architectural firm of Whistler-Patri and Mr. Keller had charged the PCTC excessive fees and then used the knowledge that they had gained to prepare the PTA proposal. Dr. Sadang again came forward and submitted additional material which he believed substantiated financing for their proposal.

Mr. Paul Hardman of the Pride Foundation came forward and indicated that he supported the concept of groups having their own centers. He noted that this was an objective that the Pride Foundation had been attempting

NEW BUSINESS (continued)

to achieve at 330 Grove Street for homosexuals. He indicated he was interested in the development of this block because of its potential provision for parking that could serve the Performing Arts Center. He noted that as a result of the extension of the performing art facilities, additional parking was needed and that the building occupied by the Pride Foundation was to be demolished to provide a site for the Performing Arts Center garage. Mr. Hardman noted that presently this proposal is held in abeyance as a result of a suit filed by Pride Foundation which was preventing issuance of bonds for the construction of the garage. He indicated that he did not want to obstruct development but believed if parking could be accommodated on the block under consideration, it would eliminate the need to demolish the building used by the Pride Foundation.

Mr. Hardman recalled that Mr. Hamilton had noted that this development would not be an alternate to the proposed Performing Arts Center garage but while he did not wish to debate the amount of parking needed for the area, he believed that it would provide adequate parking for the Performing Arts Center. In response to President Wexler's inquiry, Mr. Hardman indicated that he did not favor any of the development groups but urged the Commissioners' consideration of furthering the Filipino community's interests. President Wexler indicated that there were either two or three proposals under serious consideration and Mr. Hardman reiterated that he did not support any one of these proposals but only the Filipino community's aspirations for the cultural center.

Mr. Donald M. Katz, attorney, came forward and indicated that he had not intended to speak but since he had been mentioned in connection with the PCTC development, he wished to clarify his role. He recalled that he had served as counsel to the PCTC at the time the Agency had granted development rights to PCTC and the William C. Haas Construction Company. He had withdrawn as attorney to the group in 1975. He recalled that at that time, Dr. Sadang had been involved in a shareholders' suit against the PCTC. In 1977 when it appeared that the Agency would terminate the PCTC interests in the development, he had approached another attorney and discussed the matter with him. Subsequently, PTA was formed utilizing the existing plans and proposals and incorporating a plan to repay the Filipino community for its losses. He believed that he had been the person responsible for seeing that provisions were made to reimburse the Filipino community for its costs. He believed that he had been slandered today by the allegations that he had participated in PTA for a profit-seeking motive. He stressed that his only role in the development proposal had been to insure that the Filipino group would receive the funds that they had essentially lost.

In response to Mr. Glickman's inquiry, Mr. Richard Scott came forward to comment on the financial arrangements between the Filipino community and PTA's proposal to repay the funds that the community had invested in the original development proposal. Mr. Scott indicated that PTA had developed a plan for the payment of the community expenses and performance deposit. An agreement had been drawn up which had been signed by members of the stockholders in PCTC, including Mrs. Buted. He noted that Mr. Frank Mangrobang was treasurer of PCTC and was present to answer questions in that respect. Mr. Glickman expressed concern that the Filipino community be reimbursed for its investment and asked how the amount of reimbursement

NEW BUSINESS (continued)

had been calculated. Mr. Scott indicated that PCTC would be paid \$500,000 for eligible project costs incurred and in response to Mr. Glickman's inquiry, Mr. Scott indicated that the eligible costs were those defined by the Department of Housing and Urban Development (HUD) as allowable for payment in such transaction. He noted that HUD had requirements which regulated the amount of payment that could be made and which prohibited the developer from making a profit. Mr. Scott indicated that the \$500,000 is to be disbursed in three payments: the first, when PTA received its first drawdown; the second, upon completion of the shell; and the final payment to be made six months after completion of the building shell. The payment of the \$120,000 is to be made upon the Commissioners' approval of the application of the retained deposit to PTA's proposal. This payment would be made with the requirement that PCTC pay all existing creditors.

Ms. Blomquist inquired if the shareholders in the PCTC had agreed to this arrangement and Mr. Scott answered affirmatively. He noted it had been accepted by the membership of the PCTC and ratified by the shareholders, dependent upon selection of PTA as the developer.

Mr. Glickman inquired about the determination of the \$500,000 and indicate his belief it appeared that the Filipino community would not receive any of its investment back but would only be required to pay off existing debts. Mr. Scott noted that the accounting of outstanding debts indicated \$200,000 was owed and that the balance would be available for disbursement among the investors in the PCTC. Mr. Glickman indicated that this arrangement did not appear to fully satisfy the Commissioners' concern expressed at the Agency meeting in November 1977 when they had terminated the PCTC development interests in the parcel with the provision that interests of the Filipino community be served for future development proposals.

Mr. Scott expressed the belief that this payment represented reimbursement to the community to the fullest extent allowable under HUD regulations. Mr. Glickman again expressed concern that this did not appear to provide the community with investment money lost in the original development.

In response to Mr. Lee's inquiry, Mr. Scott indicated that Mr. Mangrobang treasurer of the PCTC was present and had participated in the negotiation of this reimbursement agreement. Mr. Lee inquired if the \$500,000 reimbursement for eligible cost figure represented a maximum up to which HUD would allow the PTA to pay the Filipino community and whether there was a minimum amount. Mr. Scott responded that the \$500,000 represented the maximum amount based on the eligible costs that had been documented. Mr. Mangrobang confirmed his understanding that after all outstanding indebtedness was repaid, approximately \$400,000 would be available to reimburse expenditures made by the participants in PCTC. He noted that the costs were determined from audited statements which had had prepared as secretary/treasurer to the PCTC.

President Wexler indicated his understanding that the amount to be paid back allowed for payment of costs but that the Commissioners were concerned that the community would not be reimbursed for their funds expended. He expressed the belief that a number of issues had been identified which shou

NEW BUSINESS (continued)

be explored more fully and inquired if Mr. Thomas Callinan would object to the matter being continued in order to permit the various groups to discuss all aspects of the proposal. Mr. Callinan indicated that if the matter were continued it would allow his development team time to meet with representatives of the Filipino community and discuss the potential development of a cultural center in the Opera Towers Plaza development. He noted that his organization had worked with minorities in other projects and he believed that they had expertise in resolving the issues being discussed. President Wexler indicated since Mr. Scott concurred that it appeared there was agreement to hold the matter over.

President Wexler indicated that the plans of Opera Towers Plaza development for the site were substantially different and inquired when these could be completed and the development would have its financing for the development. Mr. Callinan indicated that the controlling factor in the development timetable was the architectural preparation and that it was anticipated preliminary drawings could be completed within two months. This would enable them to obtain cost estimates for the development.

He indicated that United California Bank was a part of the development team and would be working with them to provide financing for the development. In response to President Wexler's inquiry, Mr. Callinan indicated that since SB99 financing was to be used, it was not anticipated that there would be a problem in financing the development. Mr. Glickman believed that this was an unrealistically tight time schedule and that at least six to nine months should be allowed for this work. President Wexler observed that the development proposal of Opera Towers Plaza included construction of 636 parking spaces and in response to President Wexler's inquiry, Mr. Callinan indicated that these were essentially designed to serve the uses in the building and did not provide any surplus. President Wexler asked if additional spaces could be provided and Mr. Callinan responded that preliminary studies had determined it would be viable to provide an additional 250 spaces. President Wexler asked about the feasibility of providing rental units in the development rather than building condominiums for sale, and Mr. Callinan responded that a preliminary study had shown that it would be difficult to finance market-rate rentals.

Ms. Blomquist endorsed the concept of providing an increased amount of parking which she believed would make it more feasible to preserve the 70 units of housing on the Grove Street site of the Performing Arts Center garage. Mr. Callinan indicated that the team's architect had determined from preliminary studies that it would be feasible to go down an additional two floors if there was assurance that the parking spaces would be used. In response to Ms. Blomquist's inquiry, Mr. Callinan indicated that the building was to be 12 stories in height. Ms. Blomquist inquired about Mr. Donald Katz's involvement in PCTC. Mr. Katz reiterated that he had originally been involved in the formation of the PCTC-William C. Haas proposal. Ms. Blomquist asked if this was at the request of the Agency. Mr. Katz recalled that PCTC had lacked sufficient development expertise and financial capacity to develop the parcel. The Agency had recommended that the development group joint venture with a stronger entity, and at that time William C. Haas came forward and expressed an interest in participating with the Filipino development group.



NEW BUSINESS (continued)

Ms. Blomquist inquired if either Messrs. Keller or Katz were participants in PTA and Mr. Katz stated that neither were stockholders nor were involved with the corporation. President Wexler inquired if they were involved in any way for doing any work for the development team. Mr. Katz indicated that at the time PTA was formed, he had participated in efforts to develop a mechanism for securing reimbursement for the PCTC participants but reaffirmed that he was not involved in PTA.

Mr. Mangrobang indicated that there had been a number of allegations about PCTC which he wished to clarify. He expressed the belief that PCTC was presently a viable organization which had fulfilled all of the corporate entity's requirements of the State of California. He noted that a number of the persons alleging that PCTC was not a viable organization had been active in the original group, including Dr. Sadang and Mrs. Laigo had no right attempting to prevent the remaining investors from recovering their losses. He stressed that all taxes and fees had been paid and that the PCTC was a viable organization.

In response to President Wexler's inquiry, Mr. Scott indicated that the development team would be willing to consider putting in a substantial number of housing units and that the 30 days proposed for exclusive negotiating rights would permit them to make this evaluation. Mr. Hamilton recalled that the earliest discussion with PTA for development of the site had indicated agreement among the Filipino community in support of the PTA proposal. The commitment of PTA to reimburse the Filipino investors for the expenses that they had incurred in submitting the original development proposal was a major factor in the staff analysis of the proposal.

Mr. Hamilton expressed concern that the proposals which Mrs. Laigo and Dr. Sadang alleged represented the Filipino community still lacked financing plans. He believed staff had looked for ways to reimburse the small investors in the PCTC financially and that the solution proposed by PTA to reimburse the eligible expenditures most closely fulfilled this objective.

Mr. Hamilton stressed his belief that one of the major problems in dealing with development groups had been to determine who represented the Filipino community and noted that a number of the speakers today had originally endorsed and supported the PTA proposal. He also stressed the staff's belief that it was in the best interests of the development of this site to provide a mix which included commercial, office, and residential uses. He recommended that additional time be taken to assess the points raised in the meeting. In response to Ms. Shelley's inquiry, Mr. Hamilton noted that it appeared there was \$100,000 to \$200,000 in outstanding indebtedness for the Filipino investors of PCTC; therefore, the proposed reimbursement of the deposit amount of \$120,000 and \$500,000 in eligible costs would provide the return to the original investors on the funds that they had contributed for the project.

Mrs. Mary Rogers of APAC indicated her concern about the availability of SB99 financing. Mr. Hamilton assured Mrs. Rogers that the financing program had now been completed and could be made available for financing

NEW BUSINESS (continued)

units in Western Addition A-2 on the timetable proposed by the Opera Towers Plaza.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that consideration of the development proposals for Block 762-A bounded by Van Ness and Golden Gate Avenues and Franklin and Turk Streets, Western Addition Approved Development Project Area A-2, be continued for a period of two weeks, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

At this time Ms. Berk excused herself and left the meeting at 6:10 p.m.

- (b) Resolution No. 295-78 designating Robert J. Sheppard and Julia M. Sheppard, his wife, and Herman M. Cline and Baldwin Cline, his wife, as redevelopers of Parcel 780-E, Western Addition Approved Redevelopment Project Area A-2.

This 2,535-square foot parcel is adjacent to the two-unit Victorian at 835 Webster Street that Messrs. Sheppard and Cline have rehabilitated. They proposed to develop a three-unit apartment on the parcel. Two of the units will have three bedrooms to and for rent at \$525 a month; the other is a two-bedroom unit to rent for \$500 per month. The price for this parcel is \$5,200 and the designation period will be for 60 days. WAPAC has evaluated the proposal and has expressed its approval.

MOTION: It was moved by Ms. Blomquist and seconded by Mr. Lee that this resolution be adopted.

President Wexler inquired if there were architectural renderings available for the property and Mr. Phil Westergard, Business Development Specialist, came forward and indicated on a rendering the relationship of the proposed new units to the existing building. He noted that the plans for the building were presently at the City Building Department. Parking for the three units will be constructed under the development and a roof deck will tie the building into the adjacent structure.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 224-78 authorizing the Executive Director to enter into a rental agreement with Delancey Street Foundation, Inc., a nonprofit organization for the utilization of a cleared parcel of Agency-owned land, Block 743, Lots 8 through 10A, facing onto Franklin Street to be used for the sale of Christmas trees from November 10 through December 31, 1978, Western Addition Approved Redevelopment Project Area A-2.

This matter authorizes the Executive Director to execute a rental agreement with a nonprofit entity, Delancey Street Foundation, to use a 16,500-square-foot parcel on the northeast corner of Turk and Franklin Streets for the sale of Christmas trees. The rental period would cover November 10 through December 31, 1978, and the funds that are raised will provide money to buy toys for the needy and support for the Delancey Street Program of self-help for alcoholics, drug addicts, and criminal offenders. The parcel is to be leased to Delancey Street on a rent-free basis.

President Wexler indicated his belief that this was a worthwhile organization but expressed concern that the terms of the lease may delay development of the parcel by the designated developer, Mr. Michael O'Neill. An informational memorandum appeared to indicate that Mr. O'Neill would phase his construction around the use of the lot by Delancey Street and President Wexler asked if this would cause a delay in construction. Mr. Hamilton answered negatively, noting that Mr. O'Neill and Delancey Street representatives had met and discussed the matter, and it had been determined to staff's satisfaction that no delays would occur.

Ms. Blomquist suggested that the Commissioners consider obtaining a token rental from the Foundation similar to that which had been obtained from a recent religious group for use of a parcel in India Basin. President Wexler indicated his belief that the two cases were not analogous and noted that the India Basin rental fee had been determined from the best analysis that could be made of the fair-market rental rate for the parcel.

Mr. Glickman indicated that he would abstain from participating in discussion or voting on the matter since he had represented the Delancey Street Foundation as legal counsel in the past. He was not now involved with the organization, however, he would refrain from voting.

ADOPTION: It was moved by Mr. Lee and seconded by Ms. Shelley that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

none

and the following abstained:

Mr. Glickman



NEW BUSINESS (continued)

The President thereupon declared that the motion carried.

- (d) Resolution No. 217-78 ratifying and approving an extension under terms of a disposition agreement, dated May 3, 1977, Parcel 3706-R, Yerba Buena Center Approved Redevelopment Project Area D-1.

This matter concerns the request for ratification of the action of the Executive Director in granting a 48-day extension of the disposition agreement between the Agency and T/W Associates, redevelopers of the Mercantile Building in the Yerba Buena Center Project. It was necessary to extend the development agreement to October 18, 1978 to permit resolution of tenant relocation problems so the building can be rehabilitated. Mr. Hamilton noted that there were presently two tenants in the building, Fox's Sandwich Shop, which is in the process of relocating and will have vacated the building by the close of business today, and the other tenant, Rochester Clothing Company, which necessitated the extension to provide time to obtain estimates for its relocation. Originally, these estimates were scheduled to have been completed by September 1, 1978 and this would have enabled the developer to proceed with rehabilitation as scheduled. More complex problems than anticipated had been encountered in arranging for these estimates, and it was now anticipated that the additional 48 days would allow time for these to be completed.

Ms. Blomquist inquired when had it been known that Rochester Clothing would be able to remain in the building, and Mr. Mills recalled that the earlier architectural services had been contracted to determine the feasibility of Rochester remaining during rehabilitation and a decision could not be made until this was completed. In response to Ms. Blomquist's inquiry, Mr. Mills indicated that it was anticipated it would take approximately 45 days between the time of the extension until the move was complete. Ms. Blomquist asked how long the rehabilitation of the Mercantile Building would take, and Mr. Mills indicated that was not known at this time.

Mr. Mynon Wong of T/W Associates came forward and indicated that his development team had been waiting two years for the opportunity to rehabilitate the building. He expressed concern that all matters were ready to close escrow, and he was very concerned about any further delays. President Wexler thanked Mr. Wong for his comments and indicated that the Agency staff and Commissioners were also very anxious to proceed with the rehabilitation of the building.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 281-78 authorizing amendments to contracts for legal services in condemnation actions with Rogers, Vizzard and Tallett in connection with the Western Addition Area A-2, India Basin Industrial Park, and Yerba Buena Center Approved Redevelopment Project Area.

This matter concerns a proposed amendment to the contract for legal services with Rogers, Vizzard and Tallett for Western Addition Area A-2, India Basin,

NEW BUSINESS (continued)

and the Yerba Buena Center project areas. Mr. Hamilton indicated that the amendment would increase the hourly rate paid for these legal services to \$60. He recalled that these contracts were authorized several years earlier and had never been raised to conform with current legal service rates. The balances in the contracts are minimal and it is not anticipated that extensive use would be made of any of the contracts.

President Wexler observed that legal contracts normally had a rate schedule which was based on the time provided by principals, associates, paralegals and other staff. Mr. Borregard, Agency General Counsel, confirmed his understanding and that these particular contracts required the services primarily of experienced senior attorneys whose time was used generally for trials. In response to President Wexler's inquiry, Mr. Borregard indicated that the billings received from the firm were broken down, and it could be determined if there was any substantial use of paralegal time. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the amendments represented no overall increase in contract amount.

Mr. Arnold Townsend of WAPAC inquired about the affirmative action program of the firm, and Mr. Hamilton indicated that this matter concerned an amendment to legal contracts which had been in existence for a number of years. He noted that the Agency was taking steps to try and involve firms that provided for minority participation. President Wexler indicated his understanding that the composition of many legal firms was changing with regard to employing minorities and of women attorneys.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 219-78 awarding purchase order to HT Engineering and Contractors for remodeling of office space at the central office of the San Francisco Redevelopment Agency.

This authorizes the Executive Director to execute a purchase order for \$1,250 with H.T. Engineering and Contractors, a firm which will move a wall and light fixture between two offices at the Agency's central office. This modification will provide a small windowless room with light from a window and make it useful as office space.

Mr. Lee indicated that there was a potential conflict of interest if he voted on this matter and that he would abstain from all consideration of this resolution.

ADOPTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Wexler

NEW BUSINESS (continued)

and the following voted "Nay":

None

and the following abstained:

Mr. Lee

The President thereupon declared that the motion carried.

- (g) Resolution No. 221-78 selecting the Civic Center Office of the Security Pacific National Bank as the depository for the Embarcadero-Lower Market project and authorizing certain personnel to administer same.
- (h) Resolution No. 222-78 selecting the Fillmore-Post Branch of the Bank of America as the depository for the Westerly Addition Area A-2 project and authorizing certain personnel to administer same.
- (i) Resolution No. 223-78 selecting the Polk-Turk Office of the Crocker National Bank as the depository for the Yerba Buena Center project and authorizing certain personnel to administer same.

Mr. Hamilton requested that these three resolutions pertaining to establishment of bank accounts for three Agency projects be considered together. He noted that the Federal auditors identified a need to provide more timely financial statements than the Agency now obtains from the City Controller's Office. Mr. Hamilton indicated that since the beginning of the Embarcadero-Lower Market, Western Addition Area A-2, and Yerba Buena Center, the City Treasurer had been the designated depository of the funds for these projects. These three resolutions would establish commercial banking facilities for the project funds. The check signers for these accounts will be the same as those used for the Agency's other accounts.

Ms. Blomquist inquired if these were Community Development funds and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that these were categorical funds, and that large banks had been chosen as depositories because the deposits were in the amount of several millions of dollars. Ms. Blomquist inquired about the use of these funds and Mrs. Hale noted that they were invested immediately in accordance with Federal regulations. In response to Ms. Blomquist, Mrs. Hale noted that the Agency had always had the responsibility for the investment for these monies but that the City had required at least two days to clear the funds through their accounts and this had cost the Agency interest. In addition, the Federal auditors had given the Agency an audit exception because financial statements were not available on a timely basis. These statements generally were not available for a three-months' period. Mrs. Hale noted that the accounts generally had small balances of about \$25,000 which were held until sufficient funds were pooled to make a significant investment.

Mrs. Hale confirmed President Wexler's understanding that these banks were chosen because of their size and ability to provide the financial backing

NEW BUSINESS (continued)

for large deposits. President Wexler inquired if staff had considered rotating these accounts among other large banks.

Mr. Hamilton indicated that rotation of these accounts could be considered on an annual basis. Mrs. Hale concurred but noted that the funds were often not processed in accordance with a precise annual schedule. If it were required that the staff terminate investments and designate a new depository annually, it could cost the Agency interest income.

President Wexler indicated that staff could advise the Commissioners whether to continue accounts for six months or whatever time is necessary to avoid loss of interest. Mr. Borregard indicated that there could be a problem if this intent was included in these resolutions. Mrs. Hale concurred and indicated that the resolutions go to the bank and it would terminate the accounts at the end of the year. Ms. Blomquist asked what type of investments the banks made with the deposits, and Mrs. Hale indicated it would be U.S. Treasury bills or those of other agencies of the Federal Government. Other investments could be certificates of deposit but these are controlled by HUD.

Mr. Townsend urged that the Agency consider banks which did not deal with the Union of South Africa, out of respect to certain feelings about South Africa's racial policies.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that Resolution No. 221-78 be adopted.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that Resolution No. 222-78 be adopted.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that Resolution No. 223-78 be adopted.

At this time, President Wexler turned the Chair over to Acting President Shelley. President Wexler left the meeting at 6:38 p.m.

MATTERS NOT APPEARING ON AGENDA

- (a) Request of Goodman Group to comment on skylight.

Mr. Miolo Calderon of the Goodman Building Group came forward and indicated that he has been trying for four years to have a large skylight repaired in the Goodman Building. There were difficulties because it was made of cast iron and the fittings had rusted. He noted that staff proposed having it covered over but the contractors had informed him the present skylight leaks and causes damages to the floors and may collapse. Mr. Calderon proposed that the Agency purchase a skylight which was made of light aluminium with plexiglass, which costs over \$6,000. He indicated that the Goodman Group would provide for the cost of removing the present skylight and would prepare the area for the new skylight. All he was requesting was that the Agency purchase the new skylight. He also noted that the rea

NEW BUSINESS (continued)

deck had rotted and should be replaced and that there would be damage to the roof if not done immediately. He indicated that the railings had been removed and people could fall three stories onto Van Ness Avenue. He indicated that the Goodman Group would absorb the \$4,000 in costs if the Agency provided the \$6,000 skylight. Ms. Shelley inquired if Mr. Calderon had recently contacted the staff, and he replied he had.

Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that this matter had been discussed this morning, but he had not heard that there had been any problem with the roof or the railings because the discussions were about the skylight. He indicated his willingness to speak with Mr. Calderon. Mr. Hamilton suggested that the matter be left with staff at this time.

RULE OF THE CHAIR: Acting President Shelley indicated that, subject to any objections from any Commissioners, that the meeting be recessed to a special meeting on September 13, 1978 at 4 p.m. There being no objections, it was so ordered. The meeting recessed at 6:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause  
Secretary





MINUTES OF A RECESSED MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
13TH DAY OF SEPTEMBER 1978

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a recessed meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of September 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice-President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee

and the following was absent:

Dr. Hannibal A. Williams

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were John Kriken, Mark Goldstein, and Allan B. Jacobs, Skidmore, Owings and Merrill; Richard Gryziec, Yerba Buena Gardens; Sue Bierman, City Planning Commission; Sandy Marks and John Elberline, TODCO; Sue Hestor, San Francisco Tomorrow; Maria Galatti, Friends of Tivoli; and Doris Kahn, member of Mayor's Select Committee on Yerba Buena Center.

NEW BUSINESS

- (a) Consideration of design presentation for Yerba Buena Center Redevelopment Project.

Mr. Hamilton indicated that this workshop had been scheduled to consider the design proposal of Skidmore, Owings and Merrill (SOM), the Agency consultants for urban design services. Mr. Hamilton recalled that the SOM firm had presented its preliminary findings at an earlier workshop and were now completing a report for the specific design concept on the project. He requested representatives from SOM to outline their proposals.

Mr. John Kriken indicated that the SOM overall design for Yerba Buena Center represents a fulfillment of several aspects of the urban design studies contract undertaken by SOM, particularly in providing significant public open space and a conceptual design of a pedestrian link between Market Street and the entrance to the proposed convention center on Howard Street. He noted that the firm had developed an open space plan which is an integral part of an urban design framework for the entire



NEW BUSINESS (continued)

project area. He noted that there may be some differences between this guideline and developments by future consultants and that there were presently some minor differences between the Agency's consultant, Mr. Richard Gryziec, and SOM. However, he did not believe that there was any major conflict that could not be resolved. Using illustrative materials and slides, Mr. Kriken indicated the plans that SOM believed would make YBC a distinctive urban place in San Francisco, while providing a programmatic and design framework which can be implemented despite potential shifts in public priorities and private market potential for particular land uses. He noted that various components had been divided into six variable elements to create a permanent physical structure with which individual development projects could be implemented. These elements consist primarily of public improvements, such as the open space network, the convention center, and several pedestrian and vehicular lanes within the large south-of-Market block. Variable elements include the majority of private development parcels throughout the project area.

In response to President Wexler's inquiry, Mr. Kriken indicated that the pedestrian link is intended to focus views down into a park-like space in the center of the project. The design framework for YBC consists of four primary components in the SOM plan: (1) the YBC Garden which comprises the major open space and pedestrian circulation network on the central block, (2) a system of lanes and easements which serves as a secondary pedestrian circulation network and provides vehicular access to development within the central block and on the peripheral blocks of YBC, (3) the system of sidewalks and street crossings which serves as an interface between YBC and the overall pedestrian circulation system of the surrounding city, and (4) the convention center roof which can be developed as a major cultural or recreational space.

Mr. Kriken indicated that the open space be developed to provide active urban plazas as well as low intensity park-like spaces. They proposed that the Gardens which would extend from Market Street to the convention center would be organized to maximize identification with adjacent private development. Most of the spaces would be complimented by adjacent active uses, such as stores, restaurants, and entertainment facilities, which result in increased foot traffic for businesses and also enhance the security for the public areas.

SOM believed that since mutual benefits would be shared by the creation of open space and private development that developers could be induced to contribute financially to maintenance of the public spaces, as well as participate in the development of special features such as fountains, sculptures, and gazebos. Mr. Kriken stressed that the open-space framework is intended to be a system which provides for the requirements of pedestrian circulation and public amenities while directly enhancing adjacent uses and providing the entire YBC project area with an identifiable access. The convention center roof has a 6.5-acre area, and SOM proposes that it be developed as a mix of public and private activities, including recreational, cultural, and commercial activities. Mr. Kriken indicated that the entry plaza at Market Street was intended to enhance the substation courtyard adjacent to the PG&E Substation and also be compatible with St. Patrick's

NEW BUSINESS (continued)

Church as a visitor entered the project area. He indicated that the plan included a plaza opposite the convention center as well as other open space areas. These varied as either active areas with outdoor restaurants and entrances to cinemas and clubs, or quieter landscaped plazas along the pedestrian links. Mr. Kriken stressed SOM's concern with the scale of the development in the area which they believed should be complimentary to the historic buildings being retained in the project area and be low enough so as not to block light and sun from the open space areas, but still be in keeping with the scale of the buildings north of Market.

At this time, Mr. Hamilton excused himself from the meeting at 4:40 p.m.

Mr. Kriken identified the development alternatives for the project. He noted that commercial office uses were allowable on all developable sites within the project area with the exception of Central Block 3. SOM believed that these should be considered a priority use for several sites within the project area, including the Market Street parcel of Central Block 1.

He indicated that the design schemes proposed development of commercial and office space with different alternatives of intensity. With regard to the alternative plan proposed for development of a theme park with recreation and cultural facilities clustered in the central block, Mr. Kriken indicated that SOM favored developing a plan which permitted higher density, since the firm believed that the urban setting required a more intense development than that proposed in the theme park.

Mr. Redman F. Kernan, Acting Executive Director, indicated that the issues involved for the Commissioners' consideration ultimately required adoption of a preferred scheme. This policy statement would be essential before staff could proceed with the offering process and to develop a strategy for the marketing program. Mr. Kernan indicated that during the first week of October, the Urban Land Institute would be meeting in San Francisco. A presentation of YBC was calendered for that conference and he asked that the Commissioners consider making a decision which would enable staff to develop a marketing strategy prior to these meetings. He stressed that he was not recommending that a decision be reached at this time and additional workshops would be held to permit the Commissioners to explore all aspects of the proposals. He also recommended that Mr. Richard Gryziec be allowed to comment on the proposal from SOM and that an opportunity be allowed for SOM and Mr. Gryziec to resolve the differences in their plans.

Mr. Gryziec indicated that he had had an inadequate amount of time to review the SOM proposal but had prepared brief preliminary comments which he would provide the staff and Commissioners for their review. Mr. Kriken indicated that based on previous critiques from Mr. Gryziec, a number of his suggestions had been incorporated in the final text. In response to President Wexler's inquiry, Mr. Mark Goldstein of SOM indicated that locating the hotel in Central Block 2 would enhance the economic attraction of the entire block.

President Wexler expressed his belief that there had been major psychic costs for the City in preparing Yerba Buena Center for development. Because of the extraordinary costs in making this land available, he believed

NEW BUSINESS (continued)

the Commissioners were mandated to ensure that a unique development is achieved in this area which will be of significance for the entire City of San Francisco. He noted that the SOM plan may be marketable but he did not believe it appeared to meet the objective of justifying the clearance of Yerba Buena Center.

Mr. Allan B. Jacobs indicated that SOM had approached the study in a number of ways, including marketability. He noted that the design schemes were responsive to the complexity of the problems, including suitability of scale and development of open space. He also noted that San Francisco was a city which historically featured small development and stressed his belief that it was important to maintain a humanistic scale for the project. Mr. Jacobs indicated that SOM had responded to these complex needs by proposing a public framework of streets, open space, and public facilities that would enhance the private development which would occur in the project area. He noted that the parcelization and diversity of land uses permitted a project which would be not only highly economical to develop but also would be consistent with the scale and priority of land uses that SOM believed were desirable for the area.

President Wexler indicated he did not disagree with the fundamental concept of SOM's plan which the Commissioners were seeing for the first time today, but he questioned the appropriateness of using this area which had been cleared at great psychic cost to the citizens of San Francisco for the placement of a private hotel. President Wexler stressed his belief that the development in Yerba Buena Center should be of greater public benefit than uses chosen for their potential economic viability. He inquired if SOM believed the development of a theme park on the convention center roof and Central Block 2 would be a desirable use. Mr. Jacobs responded that the framework provided for such a development, and it would be the Agency's decision whether or not this was the use to be built on that location. Mr. Goldstein indicated that SOM had attempted to achieve a natural and organic development in the area which reflected the character of the city. He believed that choosing the type of development that was to go into the area would be a value judgment.

Mr. Glickman indicated his belief that President Wexler had identified the key issue that the Commissioners would have to decide. This was a question of whether the two city blocks would be developed only for their highest economic use and not necessarily for the greatest benefit to the citizens of San Francisco. Mr. Gryziec expressed the belief that a number of developers were interested in the area and that development of a theme park did not necessarily preclude an economic development of the area.

Ms. Blomquist indicated that SOM's proposal did not conform to what she believed should be developed in the area. She believed that the SOM urban development was not unique and that people in San Francisco were looking forward to developing the theme park. She urged that consideration be given now to a policy decision for implementation of the theme park design scheme.

Mr. Lee indicated that he liked the SOM scheme and believed that the development proposals must be economically feasible as a primary consideration. Ms. Berk indicated her understanding of SOM's proposal and the concept behind these; however, she was concerned about the social needs of the citizens of San Francisco, as well, and believed that the Agency had

NEW BUSINESS (continued)

an obligation to provide a development that people found desirable and would support. She stressed her belief that the development had to be socially acceptable, as well as economically feasible.

In response to Ms. Shelley's inquiry, Mr. Gryziec indicated that his concept for the theme park included uses unique to San Francisco and were not of the Disneyland-Great America type. These uses would include produce markets and amusements primarily for use by local people. These would be complimented by components of shops and restaurants to provide work for people in the area and shopping for downtown. Themes would include cultural uses and open space. He commented on other great cities and the open spaces that were provided in them.

Mr. Jacobs suggested that SOM had attempted to provide an open-space framework within the overall urban design which would permit private development of different types of design to occur as determined by the needs of the private market. Ms. Doris Kahn indicated that the people of San Francisco had objected to the original YBC plan which proposed commercial development of the project. She believed that the people south of Market needed open space and that the development should be one which provided this use.

Ms. Sue Bierman of the City Planning Commission indicated her disagreement with Mr. Jacobs and believed that it was essential for the city to consider aspects other than those of economic feasibility. She believed that it was essential to hold hearings and allow people to have an opportunity to comment on the proposed plans.

In response to Mr. Lee's inquiry, Mr. Kernan indicated that the open space proposal by the Mayor's Select Committee on Yerba Buena Center were not essentially different from those originally proposed by SOM.

Mr. Glickman did not believe there was a great deal of disagreement because no one favored a Disneyland character to the development of the theme park, and all were concerned that the development be of quality which would enhance the area. President Wexler indicated his belief that the SOM approach properly identified the alternatives and it would be up to the Commissioners to make a decision on the preferred plan they believed should be developed.

In response to Ms. Bierman's inquiry, President Wexler indicated that the SOM consultant team was made up of outstanding consultants who had utilized material from previous hearings, as well as other proposals, in their evaluation of the area.

At this time, Mr. Lee excused himself from the meeting at 5:20 p.m.

Mr. Kernan indicated that discussions were being held between Mr. Gryziec and SOM regarding the quality and intensity of use, and he did not believe there was a difference of opinion which could not be resolved. He recommended that additional workshop sessions be scheduled for consideration of the issues.



NEW BUSINESS (continued)

Ms. Shelley indicated that it appeared there was a fundamental difference between the two consultants' approaches. She noted that the SOM proposal would permit development of housing or hotel uses on the central block versus its use as a theme park as proposed by Mr. Gryziec. She asked whether the consultants believed an agreement could be reached on these two different proposals, or whether the Commissioners would have to make a major policy decision on the development that was to be proposed for the area.

Mr. Glickman believed that the Commissioners could select a preferred scheme and if that development was not productively pursued, then another alternative should be chosen.

Mr. Kriken indicated there was a fundamental difference between the two consultants. However, after further discussion they could again propose these for evaluation by the Commissioners.

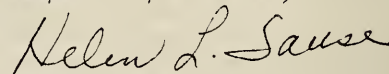
President Wexler suggested that after discussions between Mr. Gryziec and SOM, some of the difference may be resolved and the decision for development of the area would not require choosing between two different themes.

Mr. Kernan indicated his belief that without a decision, the consultants and staff had now proceeded almost as far as they could.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

  
Helen L. Sause  
Secretary

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19-78

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
19TH DAY OF SEPTEMBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 19th day of September 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk, (joined the meeting at 4:25 p.m.)  
Dian Blomquist  
Rubin Glickman (joined the meeting at 4:30 p.m.)  
Melvin D. Lee  
Dr. Hannibal A. Williams

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, Zeke Johnson, and Wade Woods, Western Addition Project Area Committee (WAPAC); Henry and Albert Gage, Albert's Patrol Service; Alberta Jackson, Cal State Patrol; Dave Fleming, Jenkins-Fleming, architects; Willa Jones, Bayview-Hunters Point Joint Housing Committee; Lawrence J. and Kimi Jacobs, BANG; James Johnson, VAE Properties, Inc; and Dexter Woods, interested citizen.

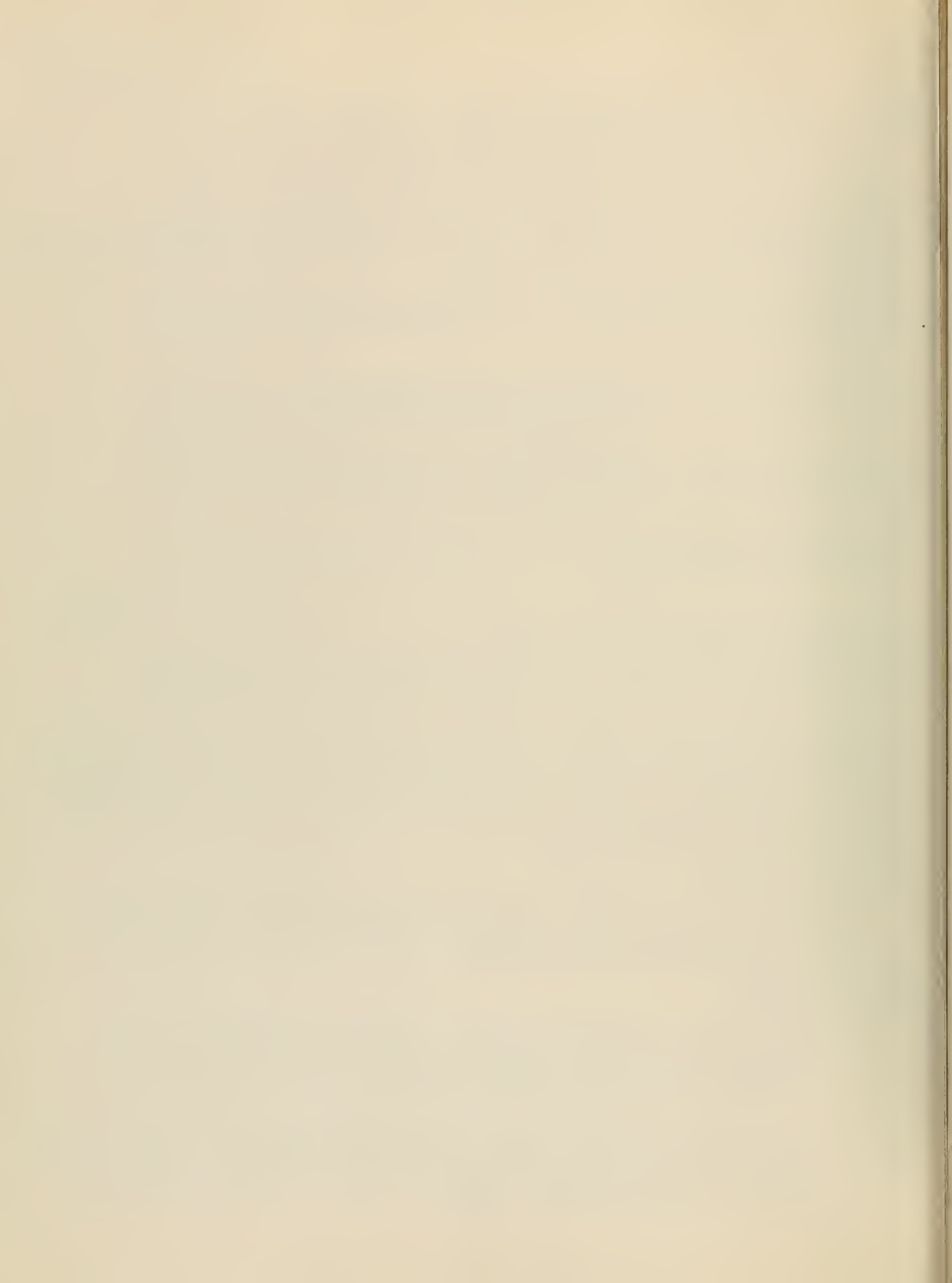
APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of August 29, 1978, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-D(2), Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-D(2), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.





## REPORT OF THE PRESIDENT

- (a) President Wexler reported that Agency Secretary Helen L. Sause is recovering from surgery and he hoped she would be back shortly.
- (b) President Wexler reported that he had attended the opening of the Fox Delicatessen at its new location on Second Street where it had been successfully relocated with the assistance of the Agency. This was an important event because it represented what the redevelopment process was in making the lives of both people and businesses better in the community. President Wexler indicated that the delicatessen had opened in 1962, and in 1975 it became evident it would have to be moved to permit the Agency to go forward with rehabilitation of the Mercantile Building, in which premises the delicatessen was located. The owners are pleased with their new facilities and the move typified how the governmental process worked to assist them. Mayor George Moscone issued a proclamation that September 18, 1978, was "Paul and Bella Fox's Kosher Style Deli Day." President Wexler commended the staff for a job well done.

## REPORT OF THE EXECUTIVE DIRECTOR

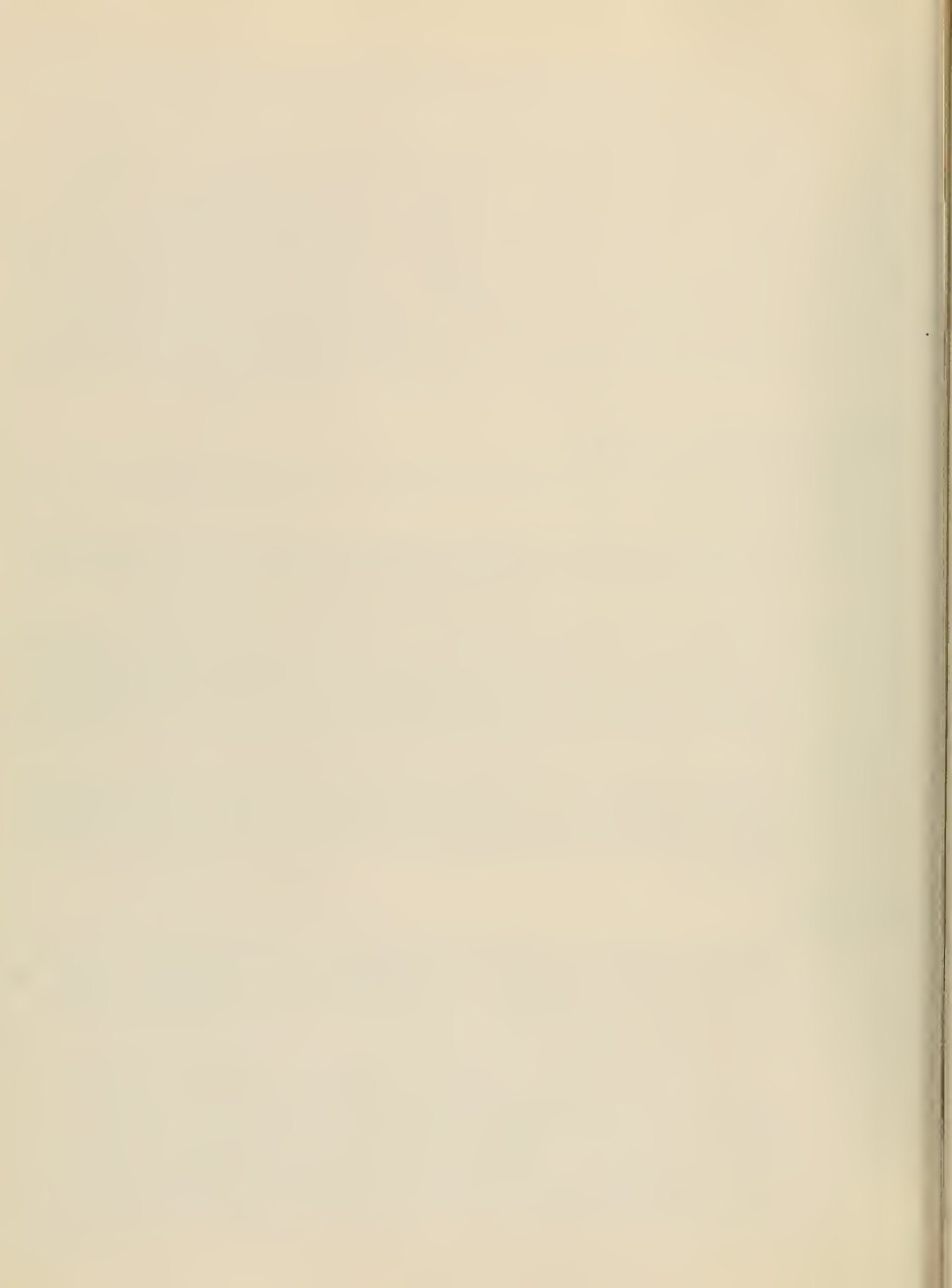
Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Mr. Hamilton indicated he shared President Wexler's sentiments regarding the move of the Fox Delicatessen and added that Messrs. Wayne DeHart and John Friedman were the staff members who helped with that move.
- (b) The Agency is in receipt of bids for \$1,750,000 in project loan notes for the Hunters Point and Stockton/Sacramento projects. There were six bidders with interest rates ranging from 4.47 to 4.62 percent and award was made to the Bank of America, NT&SA which was the low bidder at 4.47 percent. These notes replace \$1,750,000 issued on January 17, 1978, at 3.43 percent, which indicates the interest rates are increasing.
- (c) Perini Corporation on behalf of the Golden Gateway North, Perini Land and Development Company, and Vintage Properties has issued an invitation for those interested to attend the inaugural ceremony for the Golden Gateway Commons to take place at 99 Jackson Street on Tuesday, October 10, 1978, at 1:15 p.m.

## NEW BUSINESS

- (a) Resolution No. 225-78 ratifying publication of notice of public hearing for Parcel 1100-D(2) and authorizing execution of agreement for disposition of land for private development and other conveyance documents in accordance therewith to Lawrence J. Jacobs and Kimi Jacobs, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of a 2,970 square-foot parcel to Mr. and Mrs. Lawrence J. Jacobs for use as parking and open space for their adjacent seven-unit apartment building. The Department of Housing and Urban Development (HUD) has concurred in the price of \$7,200. The developer is required to submit evidence of equity capital and mortgage financing by March 15, 1979. Construction cost for the five-car parking area and landscaping is estimated at \$11,000 and is to be completed six months after conveyance.



ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 214-78 designating Stan Hicks, a single man, and Ethel D. Hicks, a widow, as developers of Parcels 1126-C and 1126-F, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item represented designation of Mr. Stan Hicks and Mrs. Ethel D. Hicks as developers of two parcels originally offered in 1975. In June of 1976, Mr. Hicks began negotiating for the purchase of both parcels but zoning requirements relative to density and objections by the Western Addition Project Area Committee (WAPAC) concerning the rent structure had caused delays. The Agency exemption from zoning requirements and approval by WAPAC now make it possible to consider such designation. The first parcel is located at the southeast corner of Broderick and Ellis Streets and consists of 5,156 square feet at a price of \$11,200. It is anticipated that four three-bedroom, two-bath units renting for \$474 monthly will be constructed at a cost of \$225,600 on the parcel. The second parcel is located on the south side of Ellis between Divisadero and Broderick and consists of 4,813 square feet at a price of \$10,400. Two three-bedroom, three-bath units will be constructed at a cost of \$95,000, and will be occupied by the Hicks. Designation is for a ninety-day period.

Dr. Williams inquired if this were a negotiated sale, and Mr. Hamilton responded affirmatively, explaining that there had been a public offering of the parcel in August 1975, and negotiations were authorized by resolution in June, 1976, consistent with the policies of the prior Commission.

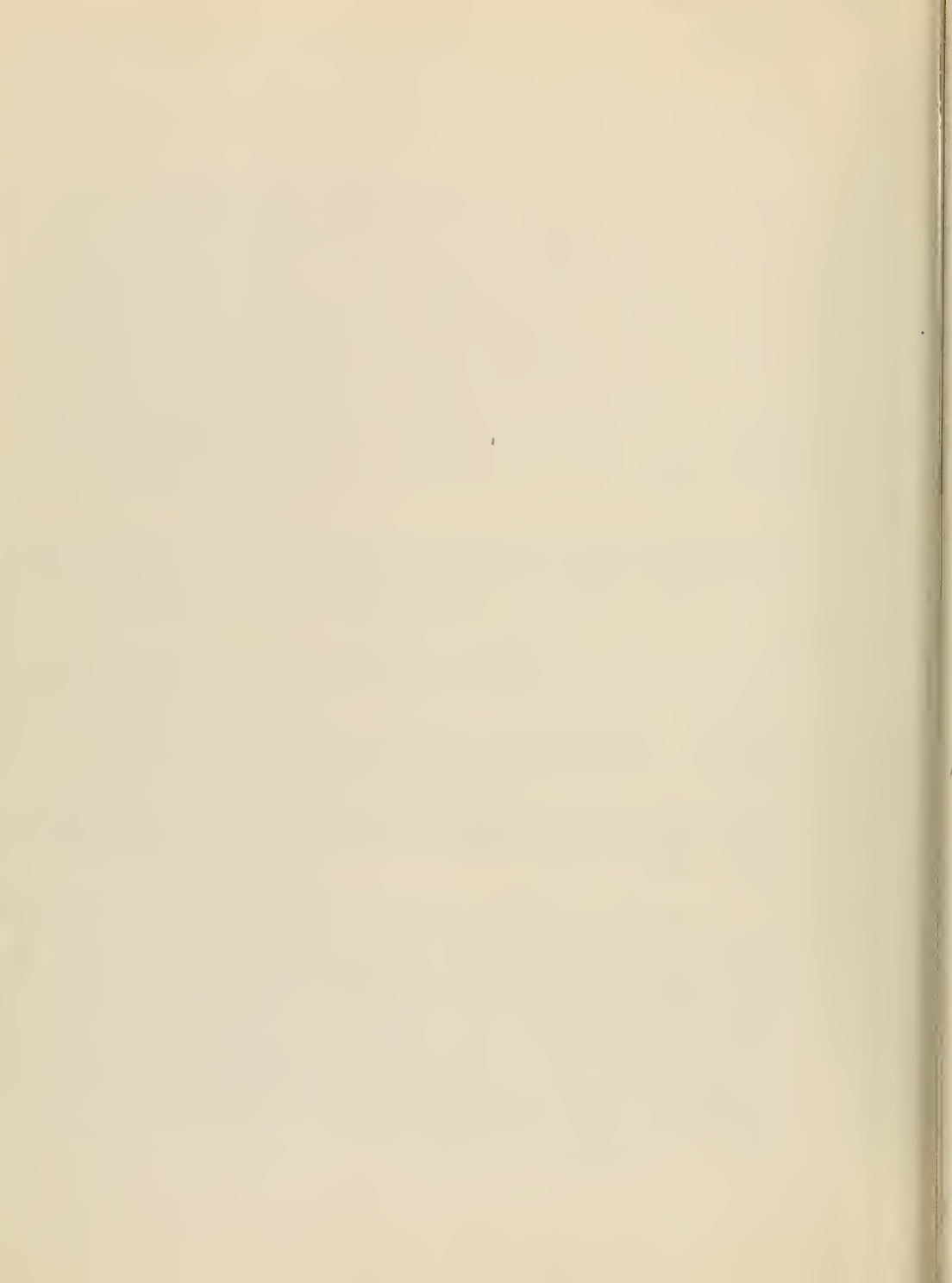
At this point, Ms. Berk joined the meeting at 4:25 p.m.

Dr. Williams inquired if WAPAC had approved this action, and Mr. Hamilton responded affirmatively.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 226-78 granting exclusive negotiating rights to Fillmore Community Development Corporation for reduced cost rehabilitation with respect to Parcels 1127-E-4 and 1127-L, Western Addition Approved Redevelopment Project Area A-2.

This item concerns granting of exclusive negotiating rights to the Fillmore Community Development Corporation (FCDC) for 120 days for rehabilitation of two buildings at 1207 Scott and 1917 Ellis Streets under a modified labor for equity program project to create ownership opportunities for Western Addition families of moderate incomes. The FCDC has applied to the Office of Community Development (OCD) for \$179,962 for acquisition funds and for operating a training program, plus labor and materials but not including administrative costs. OCD has responded to the proposal with positive interest and asked FCDC for amplification and clarification of some area to permit further consideration. One specific request was for written evidence from the Agency that it would be willing to convey property for a sweat equity program.



NEW BUSINESS (continued)

Mr. Hamilton indicated that FCDC, in assuming the role of developers for the sweat equity program had requested that the Agency approve the proposed program in principle. He noted that he had attended a conference in Washington, D.C., and one major aspect of any sweat equity program, as discussed at the conference, was recognition that there was no totally applicable program that could be applied in any city since each must be structured individually in a particular area and for the buildings in question. Mr. Hamilton indicated that a pilot program was needed and this program represents that opportunity. Elements of the proposal include: (1) buyer selection by FCDC from among qualified Certificate of Preference holders, (2) volunteer labor contributions, (3) buyer participation in work of rehabilitation, (4) training for area residents, (5) use of salvage items, and (6) construction management. Staff has some concerns about certain elements which need to be resolved during the 120-day designation period, and these are: (1) method of buyer selection and controls on resale of buildings to avoid speculation, (2) determinations of sale price, (3) arrangements for administration of the program (4) disposition of income derived from sale, and (5) structure of the training program acceptable to affected unions. It is recommended that the 120-day period be approved to allow FCDC time to work out these matters and to come back before the Commissioners.

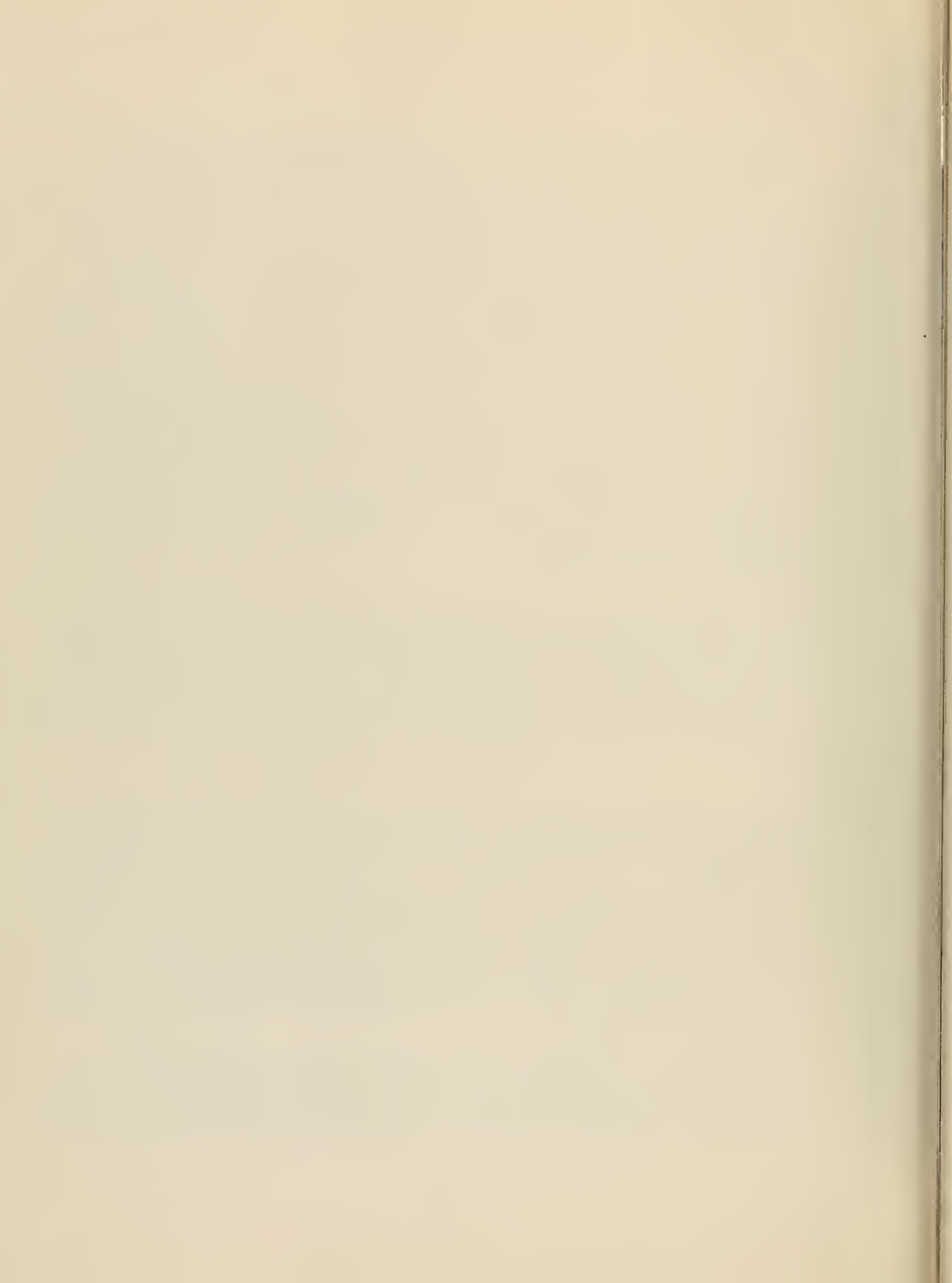
Ms. Blomquist asked if there was any other way to proceed so that the 120-day period could be avoided, and Mr. Hamilton responded that there were funds in the 1978 Community Development Program from which these funds would be allocated and that the 120 days is needed to structure the program. Ms. Blomquist commented that the Oakland Redevelopment Agency gives the buildings to the people for land prices plus three percent and she asked why this whole program was being developed at all.

At this point, Mr. Glickman joined the meeting at 4:30 p.m.

Mr. Hamilton responded that the program anticipates a number of issues such as a training program for the use of people other than general craftsmen which requires careful structuring to avoid work stoppages. At present, it is not yet known how to deal with buyer selection because in light of the Agency's existing program, a certificate holder is given first choice. There needs to be a framework undertaken by both WAPAC and the Agency to resolve such items. Ms. Blomquist inquired if it was up to the Agency or FCDC to decide how the program would run, and Mr. Hamilton responded it was up to FCDC to make the decisions but the Agency was concerned about buyer selection being consistent with its policies regarding prior owners.

President Wexler indicated that the basic concept of the sweat equity program had his endorsement. He indicated that he had some questions, as referred to staff previously. First, he noted that there were buildings on Scott and Ellis Street which were reserved so that they could be





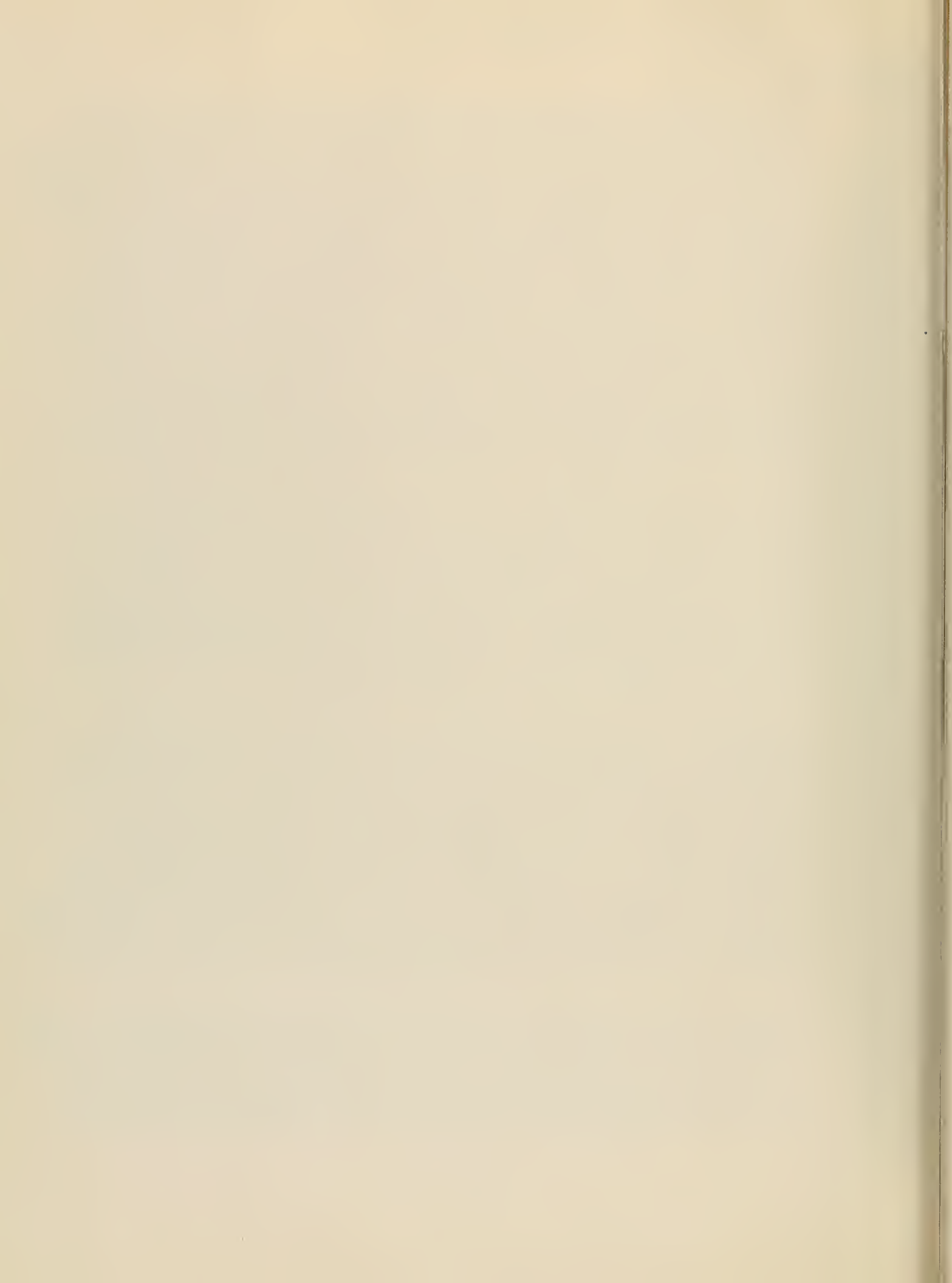
NEW BUSINESS (continued)

developed under the sweat equity program, and in the FCDC proposal to OCD there were eight such identified buildings. He inquired if these were from the entire universe of 97 buildings for the sweat equity program, or were there others. Mr. Gene Suttle, Area Director for Western Addition A-2, responded that other buildings could be considered but this present list was out of the total universe. The total list of all properties recently sent to the Commissioners had designated potential uses for program funds but this did not mean the property scheduled for sweat equity was exhausted. Staff was suggesting the possibility of doing one multi-family building and FCDC is studying the total list with the potential of enlarging it. President Wexler asked about 1622 Laguna and 1335 Pierce Streets, which were shown on the total list as to be resold to the former owners and also that 1410 Post Street was not listed. Mr. William McClure, Director of Rehabilitation, responded that the FCDC list was prepared about one year ago and since that time, the staff had received a request for repurchase of the buildings by the former owners at 1335 Pierce and 1622 Laguna and that 1410 Post is a new location of a building which will be moved from 1836 Buchanan Street.

Mr. Lee inquired if most of the training program supervisors would be union members, and Mr. Benny Stewart of WAPAC and FCDC responded affirmatively. Mr. Lee commented that if there were union people and also volunteer workers who were non-union under one roof, there could be a conflict, and Mr. Stewart replied that this was a program where there could be all kinds of problems, but he did not see any conflict in this type of situation, and also, skilled craftsmen were needed to train unskilled laborers. Mr. Hamilton indicated this was a matter to which the Agency would give special attention.

In considering the matter of economics, President Wexler asked what comparative information was available on rehabilitation bids which were rejected by the Commission on 1207 Scott and 1917 Ellis Streets, and Mr. McClure indicated that the bids had been opened on March 23, 1977 for 1207 Scott and \$78,600 was the low bid. On March 22, 1977, the bids for 1917 Ellis Street were opened and the low bid was \$84,560, for a total of \$163,160. President Wexler asked if in the FCDC summary of proposed costs for both buildings, the painting would be deleted since it could be done by volunteer work. Mr. Arnold Townsend of WAPAC came forward and answered that only the cost of materials was to be considered, since the volunteers would do their own painting. Mr. Stewart added that wherever it is possible, the volunteers would participate by doing their own work and this was part of the sweat equity.

President Wexler inquired if, assuming the dollars were accurate, all costs expended in the sweat equity program were covered by the summary of costs, since he noted that the total figure of \$179,962.40 included \$50,000 for trainees who would be performing work in connection with these buildings. Also, if the acquisition cost was taken out, it would appear the costs would be \$163,190, which is very close to the \$163,160 of the total bid



NEW BUSINESS (continued)

referred to by Mr. McClure earlier, for rehabilitating the two structures. Mr. Townsend explained that it was difficult to know what the sweat equity cost would be until after the work is done by the volunteers. President Wexler questioned how after one year's time the same rehabilitation costs would be arrived at when volunteer work was included in the proposed process. Dr. Williams indicated that the cost of trainees increased the cost and suggested that it should not be included in the building rehabilitation costs of these two buildings since it would help in rehabilitation of other buildings. President Wexler believed that there should be other ways to subsidize this cost so it would not be passed on to the purchasers.

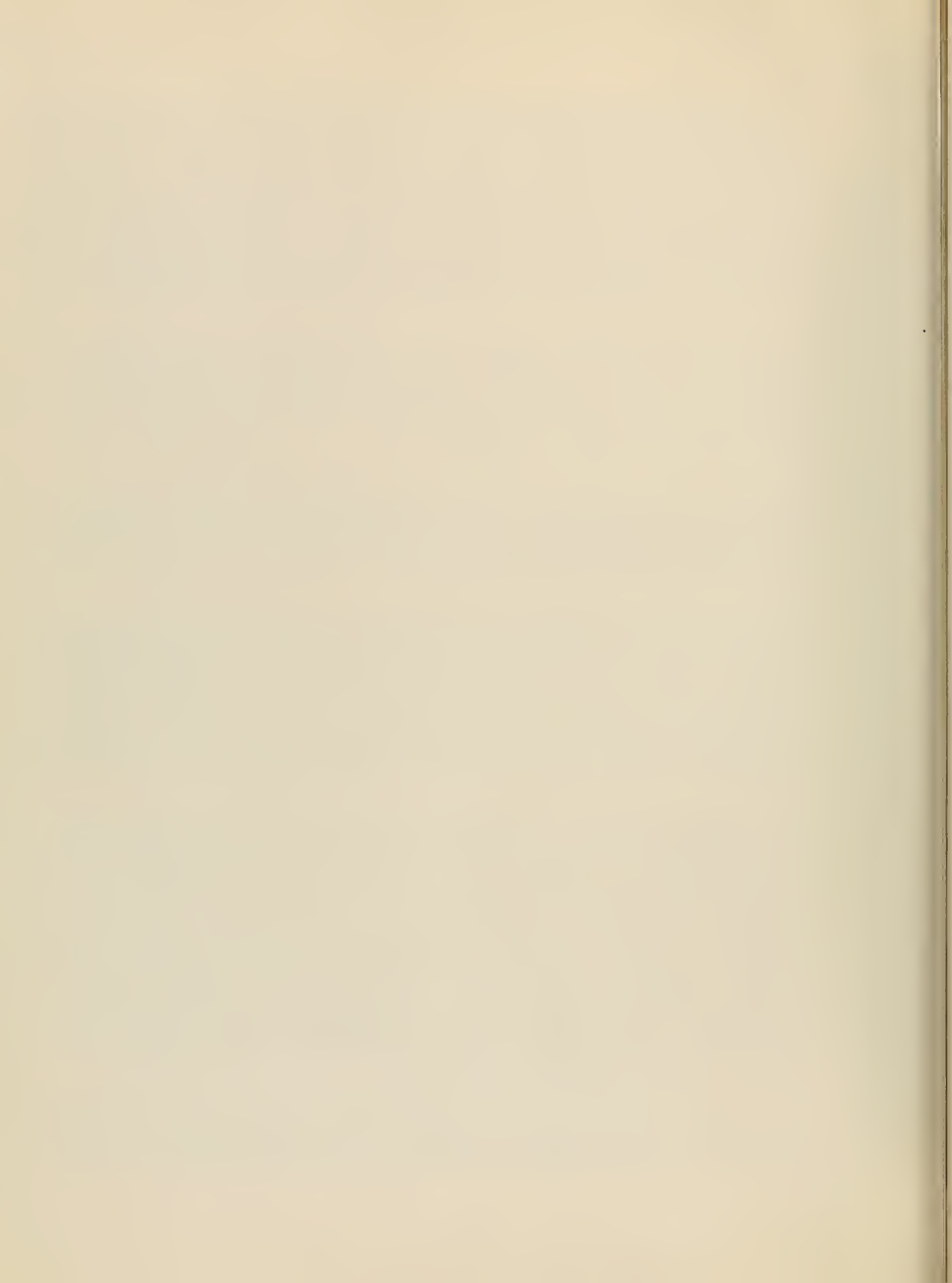
Mr. Wade Woods of WAPAC came forward and explained that the figures were projected on a one-year project and there would still be sweat equity prices. These were estimated costs and it can only be established what the owner could do for himself since the trainees may not be there for one year's time; therefore, the figures were built in and were early prices with nothing in final form as yet.

Dr. Williams indicated that the figures represented a realistic cost of what it would take to put a building in shape but the cost of trainees should not be added to the cost of housing since this was a separate item. Mr. Woods indicated the sweat equity that people put in has to be taken out, which would produce a lower price.

President Wexler expressed the hope that there would be a good sweat equity program but that it should not be limited to finding ways of subsidizing some of these training program costs since this would lengthen out the process. He indicated that some kind of subsidy could be developed where people would obtain the building sooner if the rehabilitation work were done by standard methods and that this approach would have to be carefully scrutinized to determine the cost per building. The \$50,000 training should only be partially allocated to these two buildings, and the question was what were the real costs and savings per building.

Mr. Glickman expressed the opinion that it was difficult to come up with real costs dealing with construction because there was no way of determining the cost per square foot. He indicated that it was not a universe of buildings being considered but only two properties. If the Agency makes a mistake, there is no problem but if it is right, then it could go beyond two buildings and his desire was to get started on the program. Mr. Hamilton concurred in Mr. Glickman's analysis and indicated that the maximum costs were as described by President Wexler. The maximum costs could be decreased by items identified by Mr. Woods but that these modifications would not be known until the program is implemented building by building. The program could cost no more but may cost substantially less. President Wexler indicated he was in favor of the program but wanted to look at the right cost areas.

Mr. Townsend indicated that the reason the FCDC was created was to absorb some escalation of the costs. Through this approach people can see the selling price and the down payment they would have to come up with, and





NEW BUSINESS (continued)

the goal was to get people into these homes. Mr. Townsend indicated FCDC would be a professional development next year or sooner. He pointed out that construction costs escalate about 1 percent per month.

The sweat equity idea does not apply when buying building materials, however, since these must be paid. Ms. Blomquist inquired why the vehicle of sweat equity was chosen rather than choosing a building and buyer and then giving them from two to three years to rehabilitate the place or bring the house up to some kind of standard. Mr. Stewart replied that the plan was to have a vehicle that would produce less expensive housing for people in the area and in addition provide a means of dealing with speculation. A corporation was needed to have some control over the sites and to find buyers for the housing. Mr. Townsend indicated that if the building was sold, the buyer would have to obtain a rehabilitation loan through FCDC and some costs could be absorbed by FCDC.

Dr. Williams indicated that since the Commissioners have endorsed the FCDC and the WAPAC has endorsed the FCDC sweat equity project, and both FCDC and WAPAC have responsible people in the community involved, and the economics are feasible, he, therefore, wished to see this program commence and would endorse it.

ADOPTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

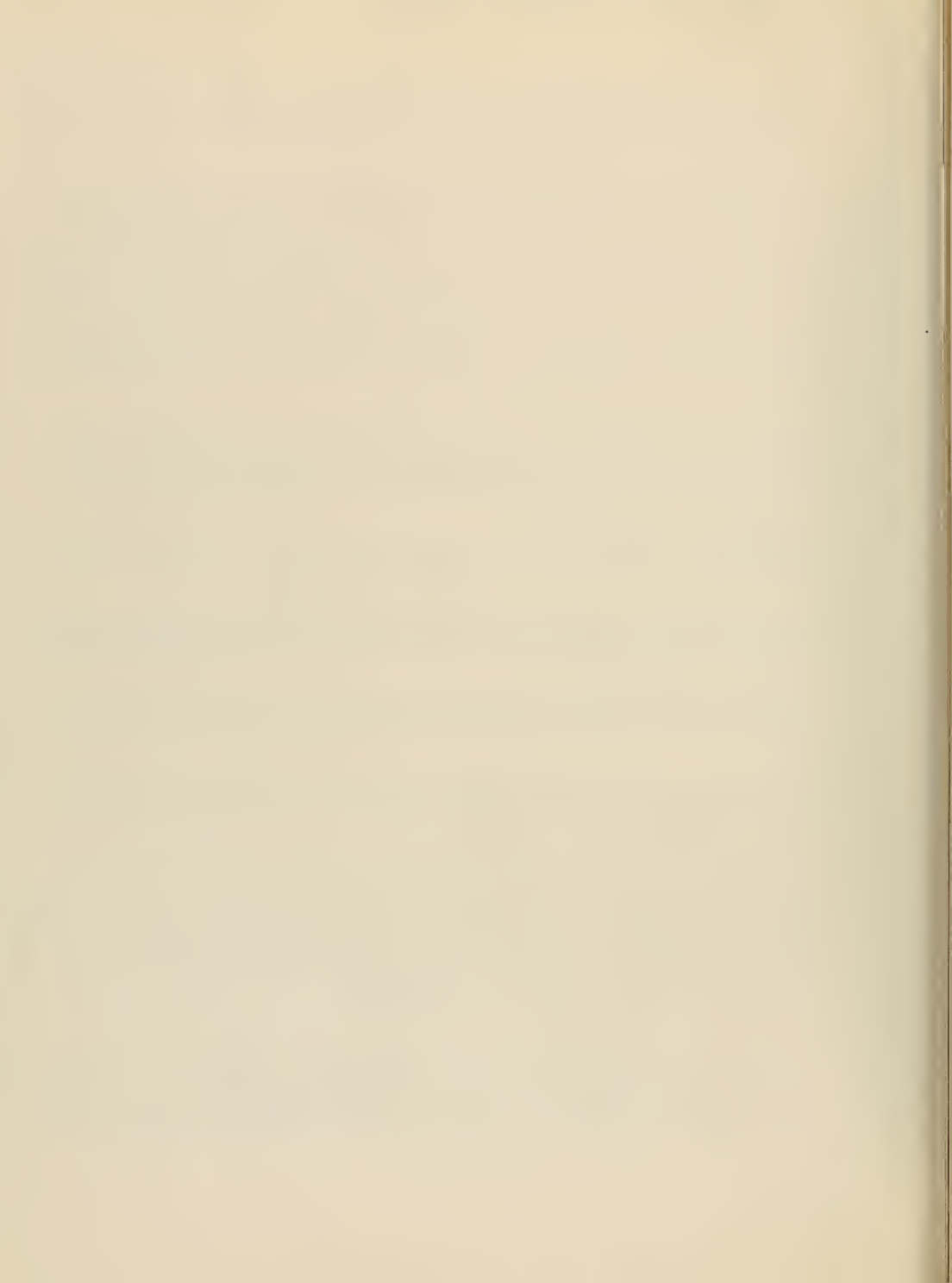
- (d) Consideration of rejection of bids for security guard services and authorization to secure interim guard services, Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 232-78 rejecting all bids received for security guard service contract, Western addition Approved Redevelopment Project Area A-2.

Resolution No. 233-78 authorizing the Executive Director to extend the security guard contract with Albert's Patrol Service, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that there were two actions, one, Resolution No. 232-78 rejecting all bids received for the security guard service contract, and the other, Resolution No. 233-78 authorizing a 30-day extension of the security guard contract with Albert's Patrol Service at a cost of \$14,315.20. Three bids had been submitted for the one-year contract and the lowest bidder submitted an imbalanced bid for the two types of services to be provided on a regular or on an as-needed basis.

Mr. Hamilton indicated that if the Agency used less than 30,000 hours allowed for the as-needed services, the contractor, Albert's Patrol Services, could realize an undue profit since the charge proposed was considerably more for regular services. It was, therefore, recommended, that all bids be rejected. Staff will restructure the bid documents to prevent a similar



NEW BUSINESS (continued)

occurrence. Albert's Patrol Services bid \$99,305 for regular services and \$60,000 for as-needed services for a total of \$159,305 and quoted \$2 per hour for the as-needed services. Mr. Henry Gage, senior partner in the firm, indicated that the difference of \$1.50 an hour between the \$2 and the minimum of \$3.50 they were required to pay would be made up through funds from excess money he was charging the Agency for performing regular services. Staff believes this is a distortion of intent of this kind of bid.

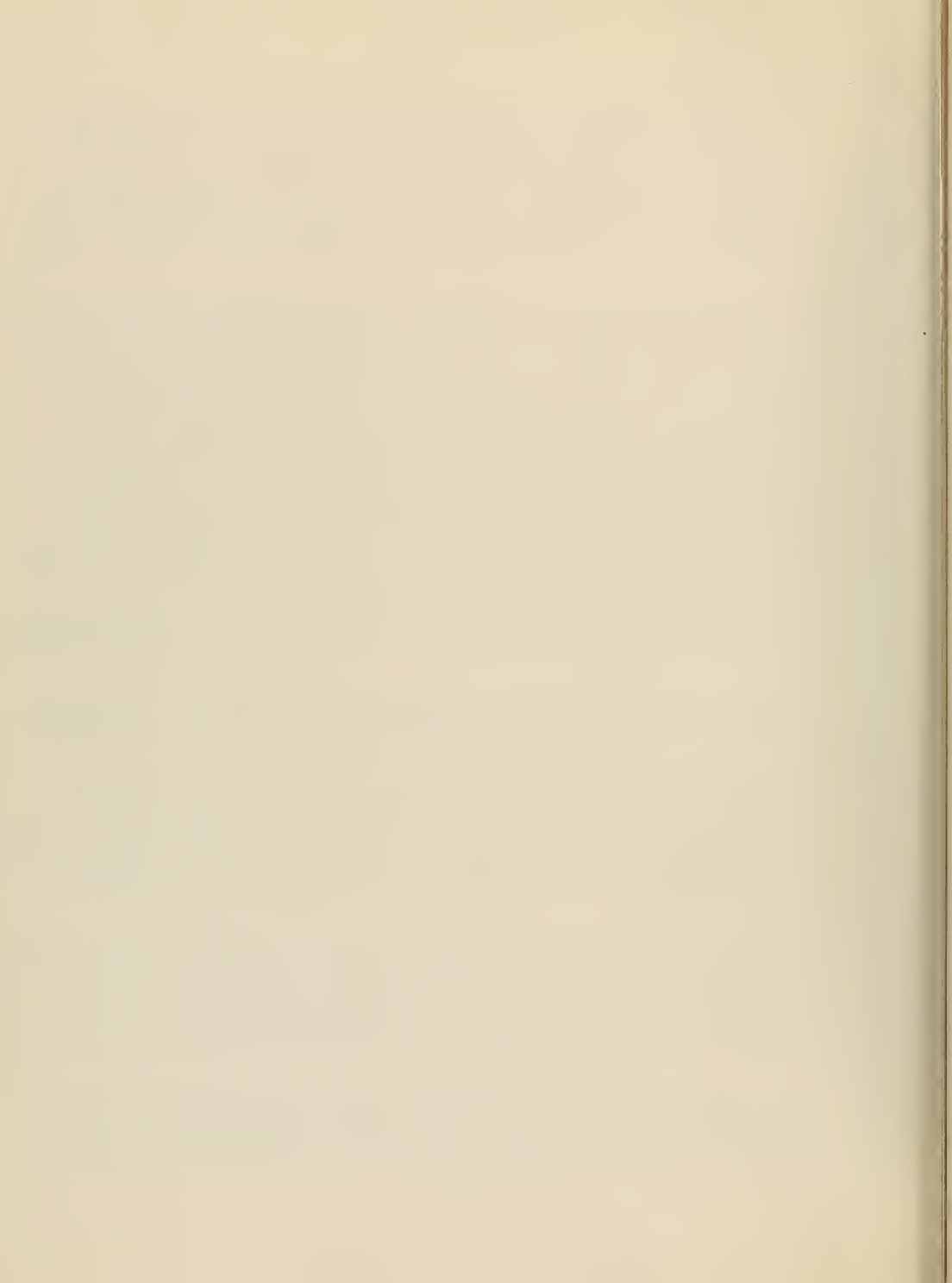
Mr. Henry Gage, Sr., of Albert's Patrol Services, came forward and indicated he was the contractor who was the low bidder and was performing guard services for the Agency. Mr. Gage also indicated that he was currently performing under the current 1977-1978 contract and had demonstrated ability to perform the work. He indicated that the other bidders were Pinkerton's which had bid \$326,376 and Cal State Patrol which had bid \$189,536.40. It was his belief that the firm had followed the Agency's bid instructions and that the low responsible bidder was the one to be counted, and this was what he based his bid upon. He did, however, recognize that the Agency had the right to reject all bids, but he believed this option was open only when bids were too high, not when the bid was the low bid. He also indicated that rebidding would be costly to the Agency, unfair to the low bidder, and there was no guarantee the bids would be lower. Mr. Gage was concerned that his seventeen employees were dependent upon this low bid approval, otherwise they may have no jobs. He stressed that there was nothing deceptive about his bid and it was saving the Agency \$30,000. He requested that the Commissioners give consideration to his low bid.

Mr. Hamilton responded that the \$30,000 savings and figures in Mr. Gage's document would be real only if all 30,000 hours were used, and the Agency wished to restructure the bids to make them equitable for all bidders.

Mr. Gage referred to a paragraph in the bid document regarding discrepancies in totals whereby the unit prices shall be equal to the total cost of the lowest total bid. He indicated this was not a windfall for his firm and that on two past occasions he had taken up the difference for the first \$8,000 and had lost money on the 1975 contract also. He commented that if there was no way to make a profit then there was no reason to remain in business.

President Wexler indicated it was not a point of denying profit but rather that the staff needed to restructure the bids. The Agency has authority to review all bids if it so desires, including the low bid. Mr. Gage wondered how he could come up with a better bid when he had already presented his best bid. President Wexler indicated that this situation had occurred in the past.

Ms. Shelley inquired about the possibility that seventeen employees would lose their positions if the low bid were not approved since staff wanted to extend the contract with Mr. Gage for thirty days when new bidding would take place. Mr. Gage replied that after he had been informed he had



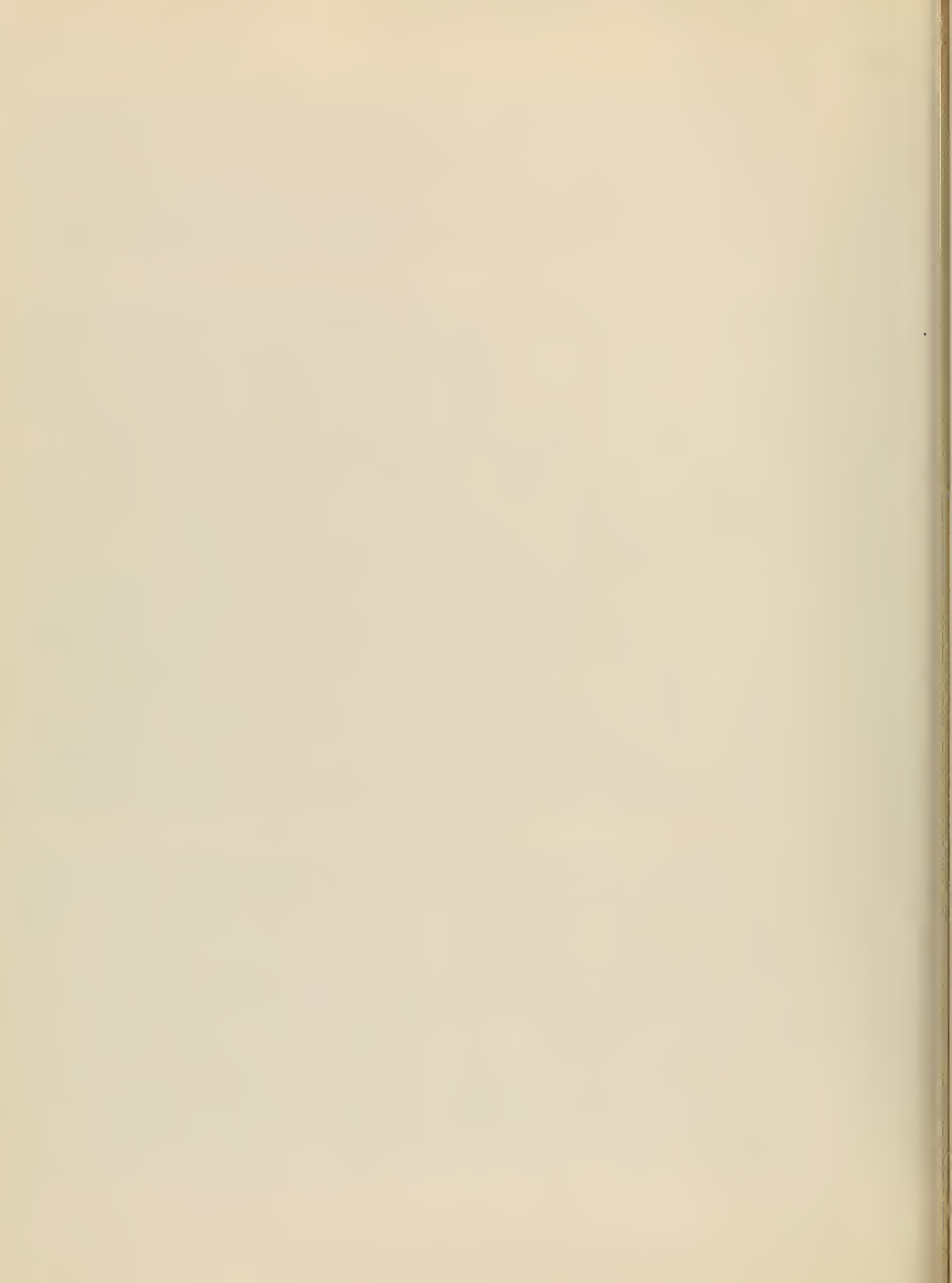
NEW BUSINESS (continued)

the low bid he assumed he would get the job and had told these people they would be employed for one year, but without that contract they would become unemployed. Ms. Shelley responded that they could be employed after the thirty days. Dr. Williams indicated he was present when the bids were opened and staff had mentioned that there could be some discrepancies in the bids, therefore, Mr. Gage was mistaken in informing his employees that they would be needed for one year. Mr. Gage replied that Dr. Williams had once said if a bid was one cent lower, that bidder would get the award.

Ms. Alberta Jackson of Cal State Patrol came forward and indicated that she was the general manager for the firm and was against consideration of rejection of all bids. She indicated she had had no problems in preparing that firm's bid. Two prices had been requested and the staff had asked for additional hours and this had been done according to staff's instructions. Although Cal State was not the low bidder, she believed that there were no plans to restructure the financing aspects of the bid if it were to be rebid. According to her understanding, Cal State was the low bidder because the cost of the regular hours the staff asked for were submitted at a lower amount by Cal State than those of the other bidders. She indicated her understanding of what staff had asked the bidder to do but the problem was that Cal State would have to do all the work again and meet another deadline. She inquired why a rebid was necessary. Mr. Hamilton concurred that Cal State was indeed the low bidder on the regular hours. Mr. Gage indicated that he would reinforce his amount by \$1.50 per hour but the contract was to have been awarded on the basis of low bid combining both regular and additional hours. He did not know the number of as-needed hours, since a combined bid was considered. President Wexler indicated that the Commissioners had no authority to accept one contract on supplemental hours and also on regular hours, and Mr. Hamilton explained the contract should be based on a combination of the two. Mr. Gage indicated the contract was only valid if there were no substantial demands over the 30,000 hours and his \$2 per hour would be reinforced by money from the regular per-hour rate. It may not be \$2 per hour, however, but the bid wanted a total figure of both categories requested and that creates a potential for serious discrepancies.

Mrs. Jackson indicated her understanding that Albert's Patrol had the contract last year and then had come back to the Commissioners with a request for extra money. She explained that \$3.50 an hour was asked for but there was no way to require that security officers work a certain number of hours. If additional money is not granted, it would be unfair. Mr. Hamilton explained that additional money was not granted for services covered in the original scope and the Agency had not underestimated the hourly rate but rather had increased the total number of as-needed hours required in the project area because of the unpredictable risks. To avoid coming back to the Commissioners to ask for additional authorization at the same hourly rate to service the as-needed hours because the demand was higher than anticipated, staff had expanded the as-needed hours considerably. In doing so a situation was created whereby the Agency was permitting a contractor to gamble on additional hours because the hourly rate was substantially higher. This was a distortion of the intent and should be reviewed.





NEW BUSINESS (continued)

Dr. Williams asked Mrs. Jackson if her firm had ever held this contract and, if so, did men have to be laid off, and Mrs. Jackson responded affirmatively to both questions. He inquired if she had informed the Agency of this, and she replied negatively. Dr. Williams inquired if this was the first year that bids were done this way, and Mr. Hamilton responded it was the second contract on an as-needed basis. Mr. Suttle amended that response to four contracts but added that this particular situation had never happened before. Dr. Williams believed it had never been done in this way as he had never heard of anyone being paid \$2 per hour before. He believed Cal State had submitted a responsible bid that was valid in every way and because of one complaint, all bids are rejected. He indicated he would vote against rejection.

President Wexler inquired if the award were made today, could it legally be made to Albert's Patrol. Mr. Hamilton referred to the imbalance created in the bids through the cost breakdown per regular hours and cost per extra hours which resulted in the difference in totals in the bids. Albert's Patrol regular hour cost was \$11.37, Cal State's was \$4.89, and Pinkerton's was \$8.14. The terms of the advertisement and bid solicitation as read by Mr. Gage stipulated that award was to be made on the basis of low bid received regardless of those hours as computed in the total column which were more than those shown in the regular hours column. Mr. Hamilton indicated that it was the total only that was to be considered.

Mr. Glickman indicated his belief that the way the bidding was done was not clear and to be fair to both bidders, the whole contract should be put out to bid again. Mr. Gage indicated he would not pay anyone only \$2 per hour, but has always paid the \$3.50 minimum wage. Mr. Glickman believed that there was a mistake in the way the bid was written and moved to reject all bids.

ADOPTION: It was moved by Mr. Glickman and seconded by Ms. Blomquist that Resolution No. 232-78 rejecting all bids for security guard services be adopted, and on roll call the following voted "Aye".

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Wexler

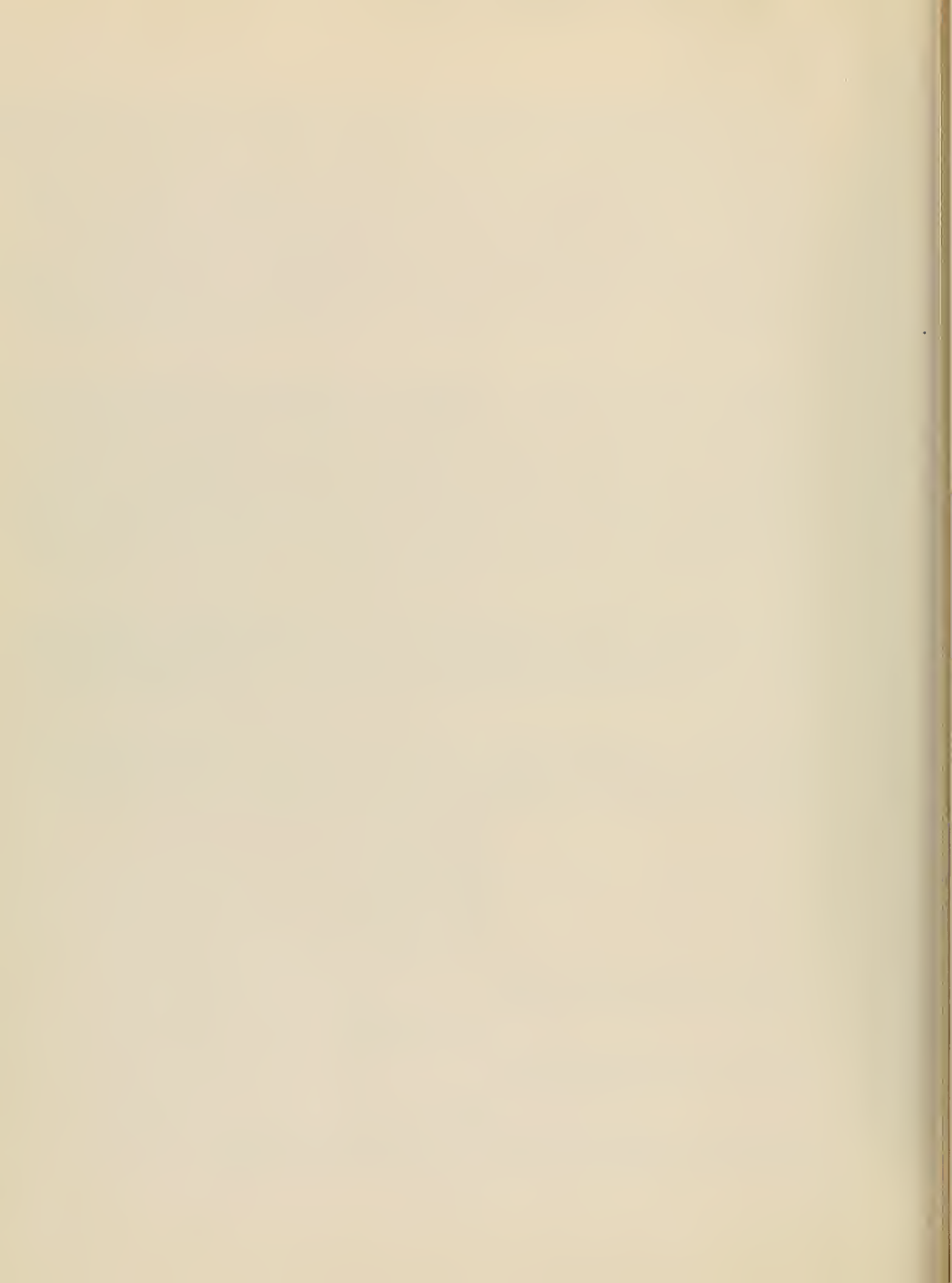
and the following voted "Nay":

Dr. Williams

and the following abstained:

None

The President thereupon declared that the motion carried.



NEW BUSINESS (continued)

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that Resolution No. 233-78 extending the security guard contract with Albert's Patrol Service be adopted.

Ms. Blomquist asked for the date when Albert's Patrol Services was given \$40,000 to make up for the hours already used. She asked where that money was since it was for two months' work. Mr. Suttle responded that there were two separate line items and one was for the regular hours only. The total of 3,056 as-needed hours are still left. President Wexler asked if these hours would still remain if the low bidder was still Albert's Patrol, or were they withdrawn. Mr. Hamilton indicated that if the contract ceases those hours would be provided for by a new contract and the money would be transferred to the next contract. Ms. Blomquist asked what would happen if out of 40,000 hours, only 20,000 were used, and Mr. Hamilton responded that the Commissioners approved use of the hours by authorized contract on an as-needed basis and if these were not needed when the contract terminates, that money is unexpended and available to the Agency. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that the money could not be expended except with that same contractor and with the Commissioners' approval.

Mrs. Mary Rogers of WAPAC came forward and indicated that the availability of security guards on weekends was a problem because they were difficult to reach. She indicated she could not reach Albert's Patrol and she wished to be certain services were available on-call for emergencies. Mr. Wade Woods came forward and asked if other persons had seen the bid prices, and President Wexler indicated these were a matter of public record.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that Resolution No. 233-78 extending the security guard contract with Albert's Patrol Service for thirty days be adopted and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Glickman  
Mr. Lee  
Mr. Wexler

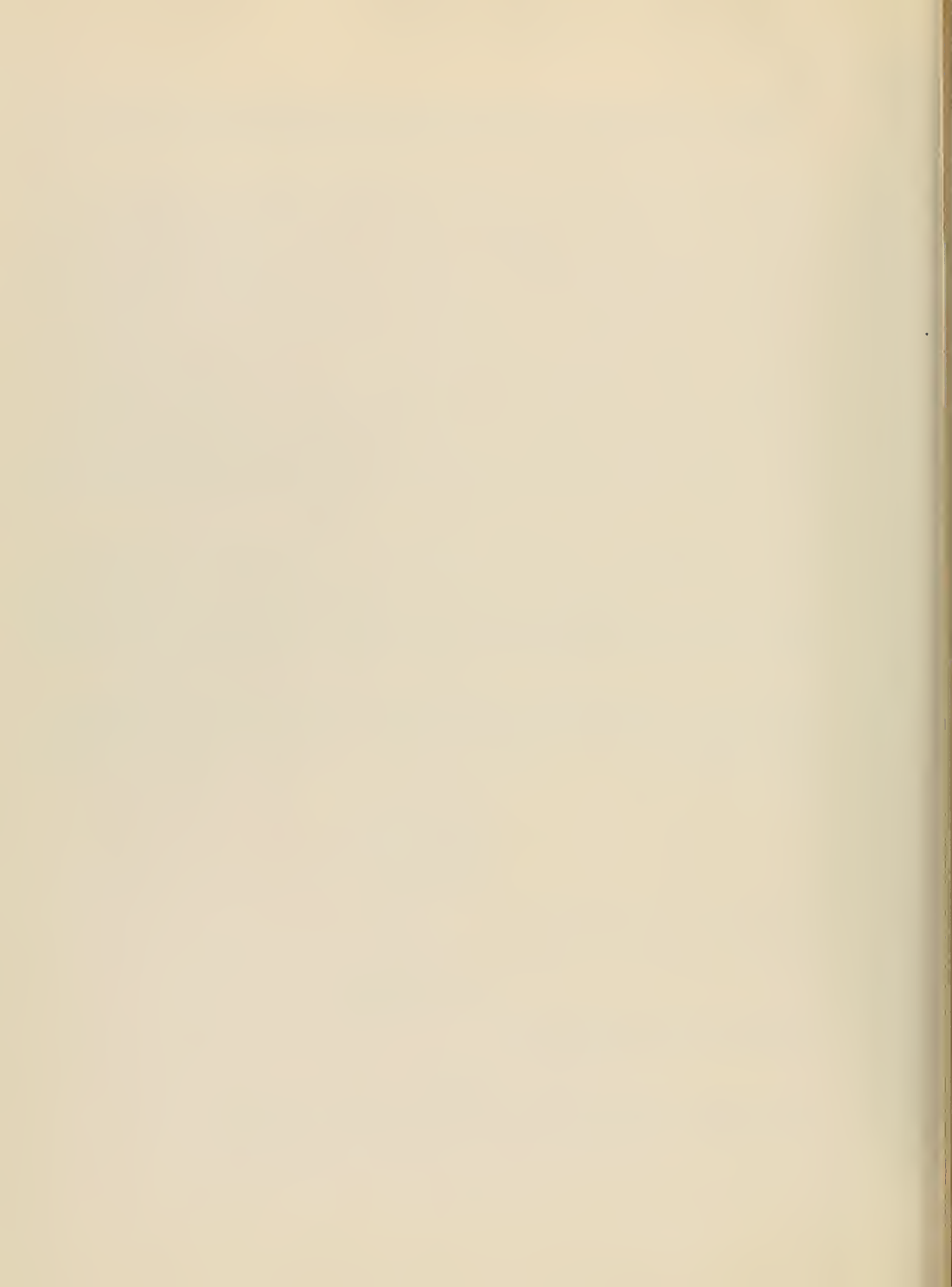
and the following voted "No":

Ms. Blomquist  
Dr. Williams

and the following abstained:

None

The President thereupon declared that the motion carried.





NEW BUSINESS (continued)

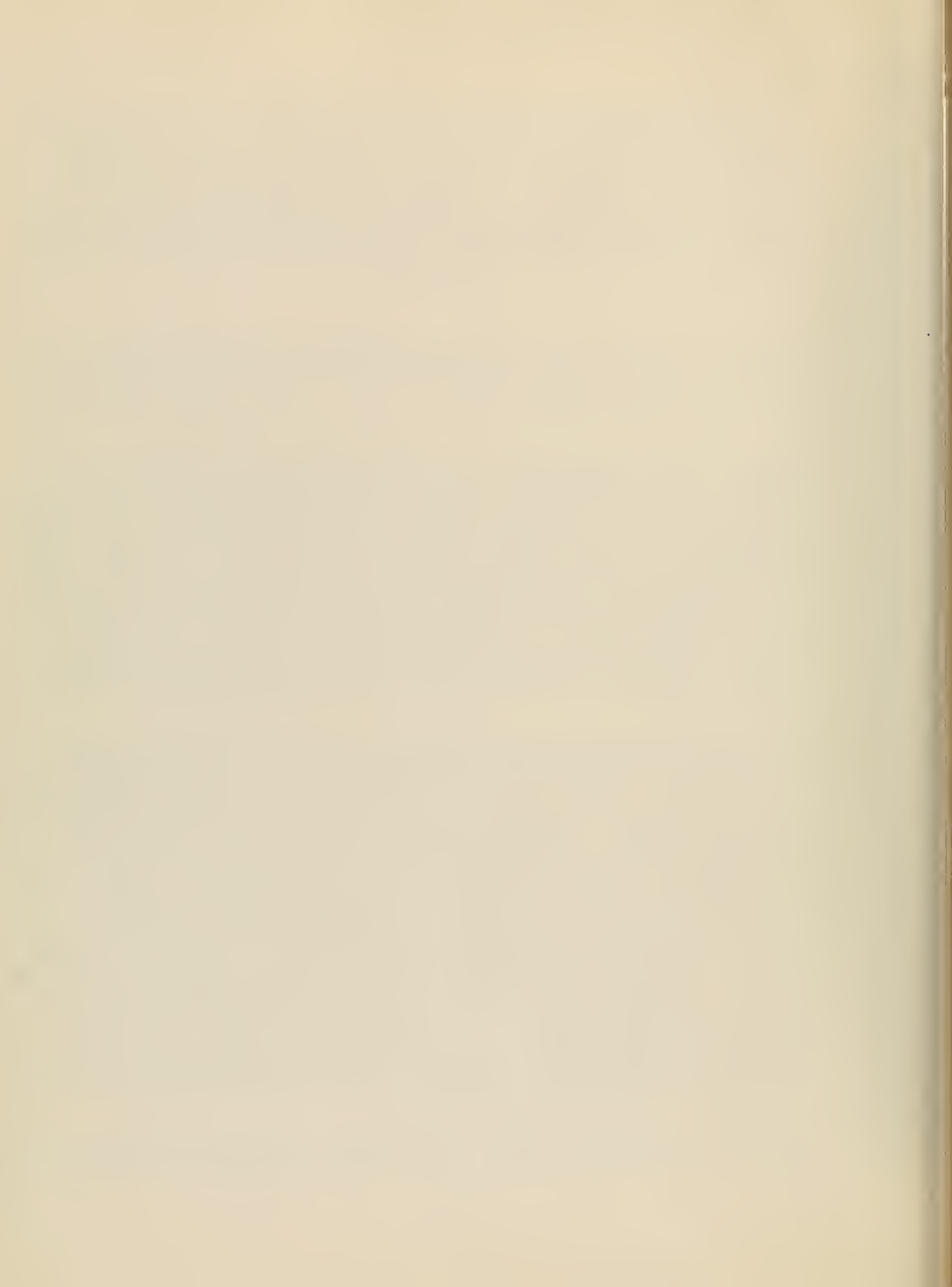
Ms. Blomquist indicated that she voted "No" because it was too much money to spend on guard services. She inquired if certain groups of security guard contractors were selected, and Mr. Hamilton indicated area-based contractors were selected but there were others with whom the Agency had had experience. Some did not respond and were dropped off the mailing list for bid solicitation. Mr. Earl Mills, Deputy Executive Director for Community Services, responded that the Agency had advertised and everyone in the telephone book had been contacted.

- (e) Resolution No. 213-78 authorizing the Executive Director to execute a contract for urban design services for the Fillmore Commercial Center with the firm of Jenkins-Fleming, Architects, Inc., Western Addition Approved Redevelopment Project Area A-2.

This item concerns a contract with Jenkins-Fleming, Architects, Inc., to prepare an urban design plan for the Fillmore Center at a total cost of \$63,300, which will take approximately eighteen weeks to complete the services. The scope includes performance of background research, urban design development, and a development program at a cost of \$50,000. An additional requirement of hiring a community liaison person to obtain community input is an added cost of \$8,600 and additional presentations of the final plan to the community and at the Agency workshop will cost \$4,700 for the total cost of \$63,300. The Jenkins-Fleming team consists of (1) Sverdrup & Parcel and Associates, Inc., who will do the site planning and traffic analysis; (2) Peterson & Belfu for the landscape architecture; and Jenkins-Fleming in addition to being the lead firm will also provide for urban design services.

Ms. Blomquist asked if Jenkins-Fleming were a San Francisco-based firm, and Mr. Hamilton responded that its headquarters were in Los Angeles but it was opening a local office. Ms. Blomquist asked if there were not other minority firms in the city and Mr. Hamilton replied that Jenkins-Fleming was chosen by WAPAC, the Agency, and the Fillmore Economic Development Corporation (FEDC) as being the firm best prepared to render these services. Ms. Blomquist believed that WAPAC should fill the position of community liaison since the Agency architects could give the details to WAPAC. She also did not believe it was necessary to spend \$4,700 for a workshop for presentations to the Commissioners and she inquired why this was an extra service. Mr. Hamilton responded that it was not anticipated as a requirement in the course of the contract but it was thought necessary to have the workshop. In dealing with contracts of this nature this item would not have been included in the past but the contractor needed this level of advice in the community and it is a cost item. Ms. Blomquist believed this took too much time and noted her intention to vote against the item. Mr. Hamilton indicated the contractor had to schedule and prepare for his presentations and this required time.

Ms. Shelley asked what was meant by the hourly fee being based upon 2-1/2 times the hourly rates as shown in the contract on page 7. Mr. Thomas Conrad,



NEW BUSINESS (continued)

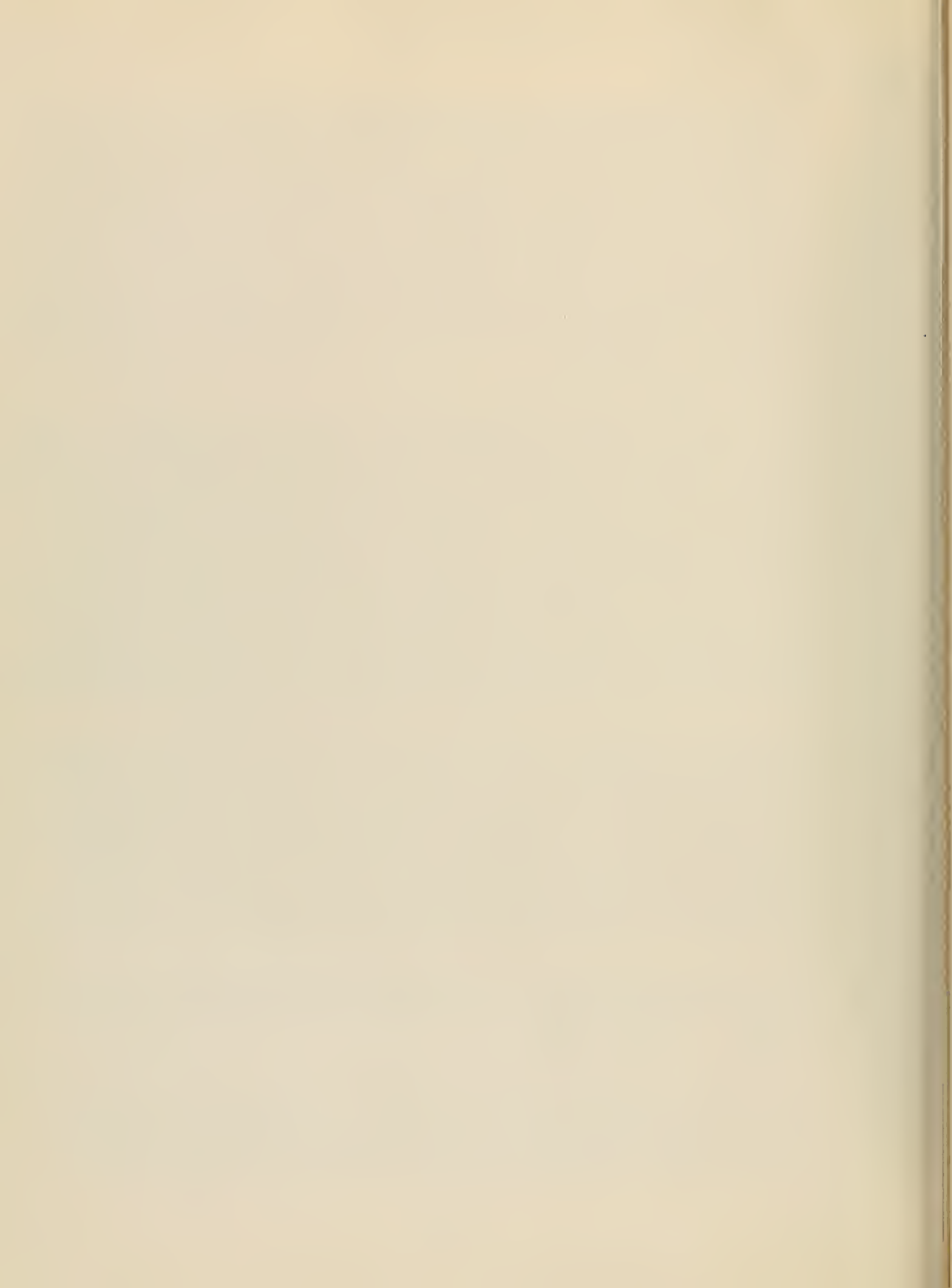
Chief of Planning, Housing, and Programming, responded that this is the standard professional practice in accommodating overhead fringe benefits and the normal ten percent profit. These rates were base rates for the individuals on the Jenkins-Fleming team. The consultant has overhead and fringe benefits that he is responsible for which are over and above the hourly rates. Mr. Kernan indicated that the hourly rate multiplier was not usually shown since normally only one is used. President Wexler referred to page 3 regarding design alternatives. He assumed this was for the community presentation, and Mr. Hamilton concurred. President Wexler asked how such alternatives would be determined and Mr. Hamilton indicated these would be determined in consultation with a review process with the community and staff. The consultant will then make a determination based upon his professional judgment.

Ms. Berk asked if the community person was an unbiased individual or a go-between, and Mrs. Rogers responded that it would not be a member of WAPAC. Mr. Townsend indicated that someone had to have some expertise in the field and every team which applied for this contract had a community component as part of the team. This would be charged to the Agency regardless of who was awarded the contract. He explained that the community was an equal partner but no one wished to recognize it as such and concluded that it was an after-hours job for the community to represent itself. Ms. Berk indicated she did not see the need for an intermediary because WAPAC should do this work. She believed the consultants should be able to deal with the community. Mr. Townsend indicated that person would be an employee of Jenkins-Fleming and the individual who has the responsibility should be one familiar with the community and have some contact with various community organizations. He again stressed that WAPAC did not want the designation nor desire to spend hours educating someone from elsewhere.

Mr. Hamilton indicated that other groups had as many as eight or twelve representatives who would be the liaison. Mr. Jenkins had left this open because he wanted to deal with professional and technical services and had indicated that this would be picked up as a matter of negotiations. Mr. Jenkins is willing to work with the community and also in selecting a person that would keep the community advised. Ms. Berk believed that evenings and weekends were the only times when the community could be involved. She indicated she was not looking at the money but rather at the matter of involvement of the community on a personal level with someone, since the community would make the final choice.

Mr. Hamilton indicated that all present consultants recognized that concern when making a proposal on urban renewal design guidelines for any project. The experience of Jenkins-Fleming led them to be aware of the community's level of concern.

Ms. Blomquist inquired where the \$120,000 for WAPAC's budget would go and also what would WAPAC be doing. Mr. Hamilton responded that WAPAC would provide assistance when the urban design guidelines were developed by Jenkins-Fleming. The community liaison person in the Jenkins-Fleming contract deals with actual evaluation of development proposals.



NEW BUSINESS (continued)

President Wexler asked if this community liaison person had been agreed upon and were there lists of leading candidates. Mr. Hamilton responded that the individual will be hired by the contractor and he had no knowledge of a list.

At this point, Dr. Williams left the meeting at 6 p.m.

Mr. Conrad indicated that after next week, both FEDC and WAPAC would submit a list of three names. Agency staff then reviews them and the list is submitted to the consultant who may choose any one of the three. Mrs. Rogers indicated the consultant was to prepare a job description and no one has any names. When the Urban Development Action Grant (UDAG) application was being prepared, Mr. Hamilton had made a recommendation that there be an urban design team to do the study for the Fillmore Center. Mrs. Rogers indicated her belief that this had already been done, and noted that nothing had been done with the Curtis Associates study. She indicated that Mr. Wade Woods was working in this capacity. She indicated that she would like to see buildings rehabilitated and also hoped that additional funds would be forthcoming for a shopping center. Mrs. Rogers believed that WAPAC's staff was spread rather thin and it did not have as many people as it had earlier. Also, she pointed out that it was difficult to do all the work with volunteer workers. In her opinion, \$10,000 was a minimal price to pay for a community liaison person since it was a difficult job. She indicated that some of the experts made more than \$10,000 in sixteen weeks, and all of the money goes out of the community.

At this point, Dr. Williams returned at 6:05 p.m.

ADOPTION: It was moved by Dr. Williams and seconded by Mr. Glickman that this resolution be adopted, and on roll call the following voted "Aye".

Ms. Shelley  
Mr. Glickman  
Mr. Lee  
Dr. Williams  
Mr. Wexler

and the following voted "Nay":

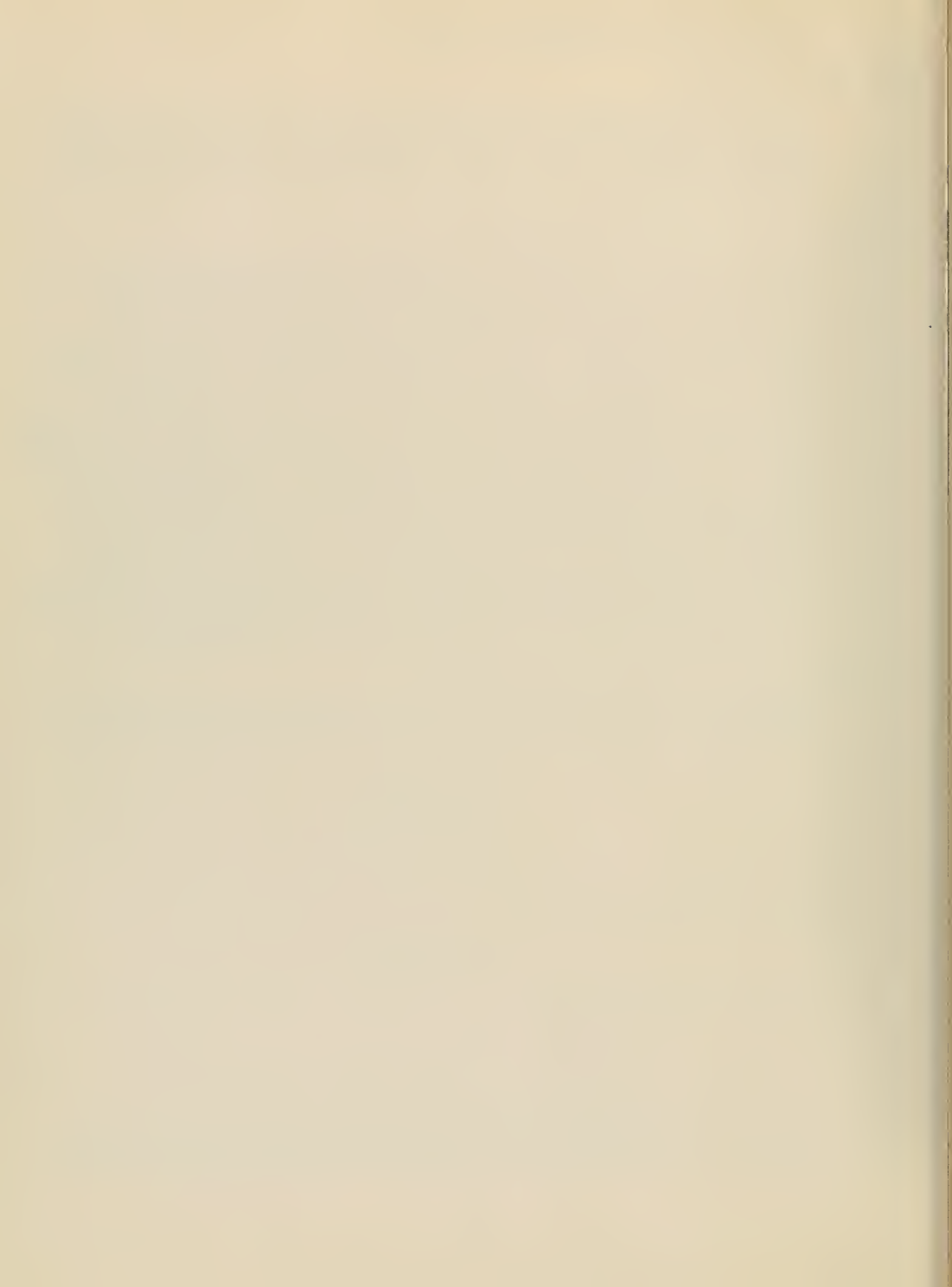
Ms. Berk  
Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

- (f) Resolution No. 227-78 awarding Site Improvement Contract No. 30 to Lewis M. Merlo, Inc., Western Addition Approved Redevelopment Project Area A-2.





NEW BUSINESS (continued)

This concerns award of a contract to Lewis M. Merlo, Inc., the lowest of of three bidders, for construction of sidewalks, curbs, tree wells, and brick detail strips around Golden Gate Apartments for \$17,380.50 in Western Addition Area A-2. Mr. Hamilton indicated this firm had previously performed work satisfactorily for the Agency.

ADOPTION: It was moved by Mr. Lee, seconded by Dr. Williams, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 228-78 rejecting bids for Site Improvement Contract No. 32, Western Addition Approved Redevelopment Project Area A-2.

This represents rejection of two bids received for Site Improvement Contract No. 32 in Western Addition for construction of a retaining wall along the property line of 1866 Turk Street, which is an Agency-owned building. Nine bid documents were issued and the two bids received of \$23,537 and \$28,500 were considerably higher than the Agency engineer's estimate. Two factors that affected lack of bidding and the high bids were difficult access to the site and that the contractors were busy at this time. New bids should produce greater response and lower bids.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 229-78 awarding Site Improvement contract No. 23 to Tamal Construction Company, Hunters Point Approved Redevelopment Project Area.

This item concerns award of Site Improvement Contract No. 23 to the lowest of two bidders, Tamal Construction Company, for \$257,716.30 to clear and grade the site; install a drainage and irrigation system; and other work including reinforced concrete walls, curbs, concrete ramps, and stairways; installation of play structures; installation of chain link fencing, hand rails, and lighting system; and landscaping and plant maintenance for Site B in Hunters Point. The firm has performed satisfactorily on other Agency contracts in the past.

President Wexler indicated that there were only two bids received and he asked if staff was satisfied with the reasons proffered by the other contractors for not submitting bids on this work. He questioned whether or not the reasons given were the real reasons or were there other factors since there was only one serious bid. Mr. Hamilton responded that he had no reason to believe there were factors other than those stated by the contractors known to him and he had no problem with the bid being close to the engineer's estimate. President Wexler indicated he was only concerned about there being something in the Agency's program that would discourage people from bidding.

Ms. Blomquist inquired how many jobs Tamal Construction Company had done for the Agency, and Mr. Frank Cannizzaro, Chief of Engineering, responded that two jobs were presently being worked on and one other was bid, so this would total four jobs for Hunters Point. Ms. Blomquist asked how many of these types of jobs have been let out in the past two years, and



NEW BUSINESS (continued)

Mr. Cannizzaro replied there were six or seven. Ms. Blomquist indicated that these jobs then represented four out of six jobs. She commented that Tamal Construction could keep bidding and be close to the engineer's estimate and that perhaps others don't bid since other contractors know who will get it by virtue of inside information. Mr. Hamilton responded that if this were so, the staff did not know about that.

Ms. Blomquist inquired if there were other firms, and Mr. Cannizzaro responded, yes, but that it was difficult to get landscaping firms to bid and their prices were high. He indicated that the Tamal firm was a good one, and although there were others, they bid work all over the Bay Area. He believed it was difficult to obtain a unit price on this kind of work. Ms. Blomquist asked where the other firm was located, and Mr. Cannizzaro responded it was in Hayward and that Tamal did more than just landscaping.

Mr. Glickman indicated that if the Agency engineers bring in an estimate then what is the problem since the bid was very close to the estimates of staff engineers. He did not believe any private deals were being made, and he was of the opinion that staff was doing a good job in bringing a bid in close to their estimate. President Wexler indicated he agreed with Mr. Glickman. He commented it may be placing the Agency in a difficult position. Mr. Glickman indicated he would only question a bid if it were, for example, \$75,000 less than the estimate.

ADOPTION: It was moved by Dr. Williams and seconded by Mr. Glickman that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Dr. Williams  
Mr. Wexler

and the following voted "Nay":

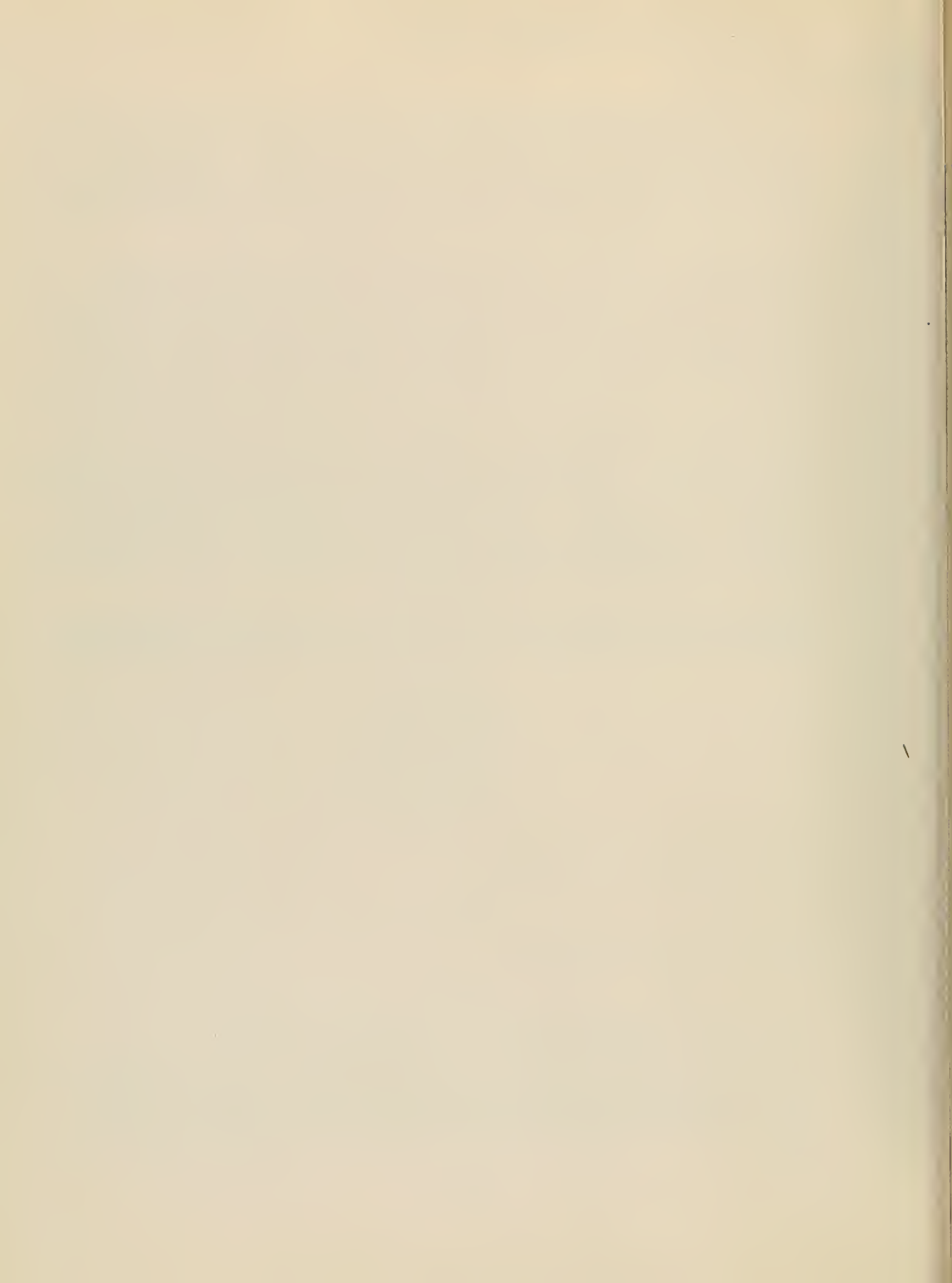
None

and the following abstained:

None

The President thereupon declared that the motion carried.

- (i) Resolution No. 230-78 authorizing second extension of time for submission of evidence of equity capital and mortgage financing as set forth in certain disposition agreements concerning the sale of Phase I, single family residential parcels, Hunters Point Approved Redevelopment Project Area.



NEW BUSINESS (continued)

This item concerns an extension of the date for submission of equity capital and mortgage financing for developers of 72 units of market-rate housing in Phase I at Hunters Point from September 15, 1978 to January 15, 1979, as a result of delays in getting SB 99 bond resolutions completed and ready for use. In addition, the City is taking from 90 to 120 days in processing building permits. Construction can start at the end of the year or early in 1979.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 231-78 approving a procedural settlement agreement between the Agency and LaSalle and Shoreview Apartments, Site A and B., Phase II, Hunters Point Approved Redevelopment Project Area.

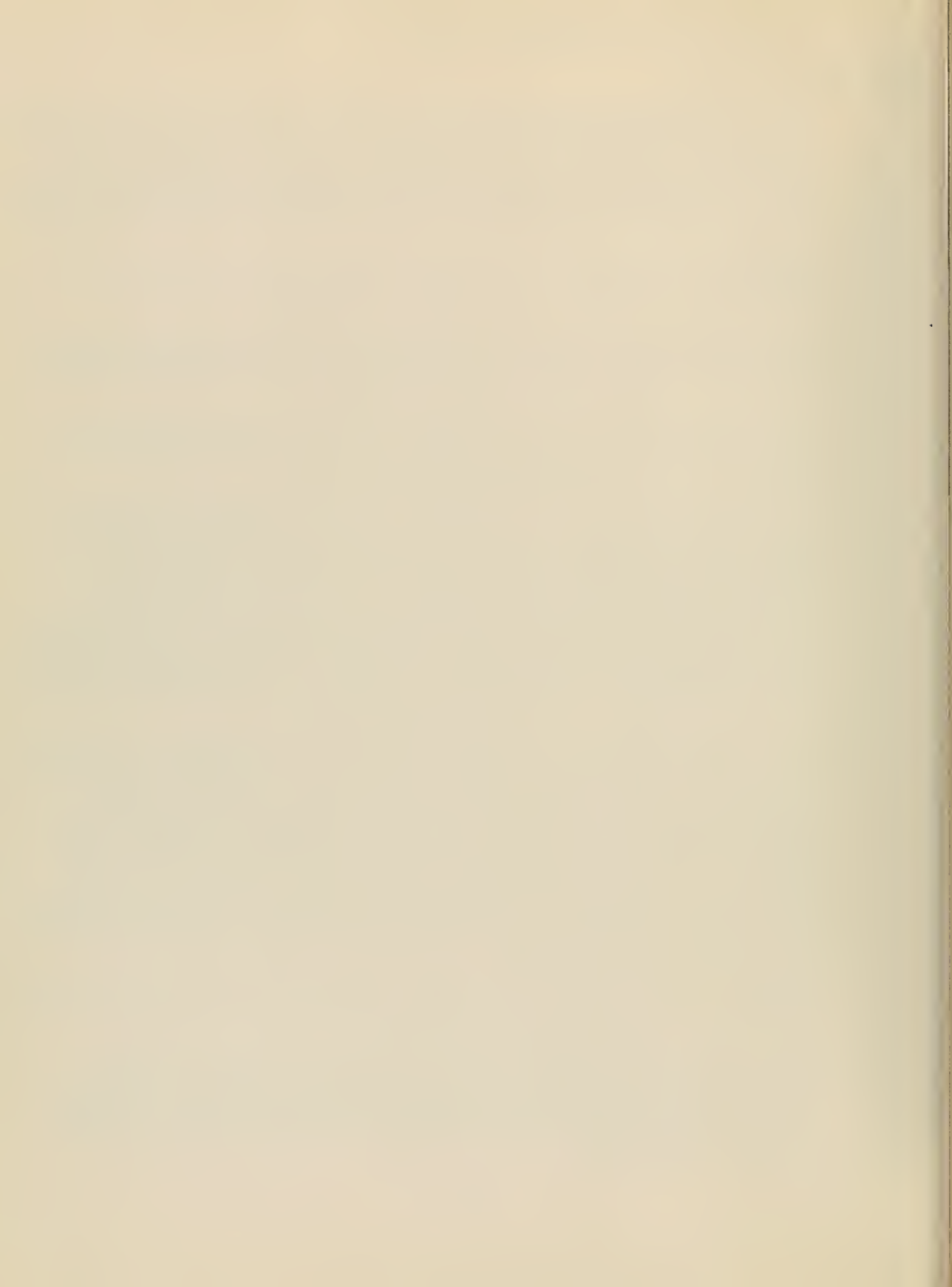
This concerns approval of a procedural settlement agreement between the Agency and LaSalle and Shoreview Apartments, Sites A and B, Phase II, Hunters Point Approved Redevelopment Project Area.

This concerns approval of a procedural settlement agreement between the Agency and developers of Housing Sites A and B. The Agency performed certain work and claims the right to be reimbursed \$101,950 and the developer claims certain damages against the Agency for \$300,000. This agreement establishes the procedure only for resolving these claims. Mr. Hamilton indicated that a special bank account will be established for receiving monies from the LaSalle and Shoreview Apartments and the monies will be deposited with the Agency in exchange for certificates of completion that are required for the apartments to obtain final Department of Housing and Urban Development (HUD) mortgage endorsements.

Mr. Glickman complimented the Legal Division on its approach to solving the procedural settlement. Ms. Blomquist inquired if the bank was a minority bank or did it have connections with South Africa. President Wexler responded that the present Commissioners had never taken a position on a matter unrelated to the Agency's program; for example, taking an issue related to a foreign country, and asked if the previous Commission had done so. Mr. Hamilton responded this had never been done, to his knowledge. Dr. Williams indicated his belief this would not be out of line. Ms. Blomquist suggested having a resolution prepared for the Commissioners to vote upon. President Wexler indicated that before action on this, it should be considered further.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee and unanimously carried that this resolution be adopted.

- (k) Resolution No. 220-78 selecting the Civic Center office of the Security Pacific National Bank as the depository for a special escrow account pursuant to the Agency/Shoreview/LaSalle settlement agreement and authorizing certain personnel to administer same, Hunters Point Approved Redevelopment Project Area.





NEW BUSINESS (continued)

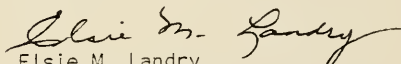
This resolution established a bank account with the Security Pacific National Bank as depository for special escrow funds in connection with the Shoreview and LaSalle apartments settlement agreement and authorizes certain personnel to administer such funds. President Wexler asked how this bank was selected, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that it could be changed if the Commissioners so desired. She explained that Mr. Leo E. Borregard, Agency General Counsel, had asked for a copy of a resolution that he could use as a basis for developing the form and that resolution had that bank's name on it and he thought that was meant to be that bank. Mr. Borregard indicated he had no prejudice concerning the bank or any other. Mrs. Hale indicated that the Agency had not used that bank before last week. It is at the Civic Center and is a new bank. The money will sit in a time deposit and it represents a despoit for the bank. President Wexler suggested that a review be made of where the Agency's other accounts are located so the Commissioners could make some decision of where they thought they could do the most good in leveraging the kinds of activities desirable for the City. Mr. Hamilton indicated he had asked Mrs. Hale to prepare an analysis of that consideration.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

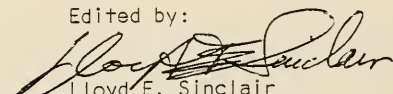
RECESS

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be recessed to the fourth floor Conference Room, 939 Ellis Street, San Francisco, California at 4 p.m. on the 25th day of September 1978 for the purpose of a public workshop on urban design proposals for the Yerba Buena Center Approved Redevelopment Project. The meeting recessed at 6:30 p.m.

Respectfully submitted,

  
Elsie M. Landry  
Assistant Secretary

Edited by:

  
Lloyd E. Sinclair  
Acting Secretary



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MINUTES OF A RECESSED MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
25TH DAY OF SEPTEMBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a recessed meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of September 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman (joined the meeting at 4:30 p.m.)  
Melvin D. Lee  
Dr. Hannibal A. Williams

and the following was absent:

None

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were John Robinson, Clarke and Cramer; M. Wong, T/W Associates; Mario J. Ciampi, Mario Ciampi and Associates; John Kriken and Mark Goldstein, Skidmore, Owings and Merrill (SOM); Harold Brooks, Jr., E. Mobley, and Ted Frazier, San Francisco Coalition; J. G. Turnbull, Foundation for San Francisco's Architectural Heritage; Richard Gryziec, Yerba Buena Gardens; and Nancy S. McKay and Inez T. Encinger, interested citizens.

NEW BUSINESS

- (a) Workshop on urban design proposals for the Yerba Buena Center Approved Redevelopment Project.

President Wexler indicated that this item was continued from the regular meeting of September 19, 1978 and that this workshop was a followup to a public workshop held at a recessed meeting held on September 13, 1978 at which time Skidmore, Owings and Merrill (SOM) presented its design proposal for the Yerba Buena Center. President Wexler indicated that at the close of the September 13th workshop it had been agreed that an additional workshop session would be scheduled for consideration of the issues between SOM and Mr. Richard Gryziec, Architect. He indicated that at this meeting representatives from SOM, Mr. Gryziec, and any other persons in attendance, in addition to staff would be heard from. Mr. Hamilton indicated that today's workshop would focus on the development of the central block surfaces

NEW BUSINESS (continued)

within the broadest possible framework. Mr. Kernan, Deputy Executive Director, indicated that in attendance today were Messrs. Mark Goldstein and John Kriken of SOM and Mr. Richard Gryziec. Mr. Kernan briefly summarized the SOM proposal as presented at the September 13th meeting. President Wexler indicated that Mr. Gryziec had wanted time to review the SOM proposal and asked if he had had the opportunity to do so. Mr. Kernan responded that Mr. Gryziec had reviewed it and indicated that time was allocated today for his comments.

At this time Mr. Glickman arrived at the meeting at 4:30 p.m.

President Wexler inquired if there were any questions for SOM from the Commissioners. Dr. Williams requested a quick outline of the SOM proposal since he had not been in attendance at the September 13th meeting. Mr. Goldstein summarized SOM's proposal and indicated that the SOM focus had shifted to questions of land use and SOM had looked at the potential for mixed uses combining hotel and recreational facilities on Block 2.

Mr. Glickman inquired if SOM were in dispute with Mr. Gryziec as to the primary use of Block 2, and was SOM in agreement with the need for a first-class quality recreation operation. Mr. Goldstein responded negatively, indicating he believed there was no major dispute on the use of Block 2 and that he was in agreement with Mr. Glickman that the recreational type operation should be of first-class quality. He further indicated that there was a question on the uses that could be appropriately accommodated on Blocks 1 and 2 even aside from financial considerations. Mr. Glickman inquired if SOM's concern was about the use of the surface of the convention center as proposed by Mr. Gryziec, and Mr. Goldstein responded affirmatively.

Mr. Gryziec indicated he was critical of the SOM guidelines and the detail of marketing as provided by SOM. He further indicated that his proposal was more comprehensive, and, based upon the recommendation made by the Mayor's Select Committee on Yerba Buena Center, he had sought out developers and had considered public opinion. He also indicated that the Mayor's Select Committee had voted for the theme park and Mayor George Moscone had confirmed his commitment originally made in 1976 for the theme park. Mr. Gryziec indicated there were two basic criticisms by SOM of the theme park. One was a reference by SOM to appropriate uses, and in response to this Mr. Gryziec indicated that his uses were varied and were similar to the Tivoli Gardens in Copenhagen which he described. President Wexler asked Mr. Gryziec to address the SOM proposals since the Commission was aware of the theme park history from previous sessions. Mr. Gryziec continued that the second criticism of SOM to Yerba Buena Gardens was that it was unmarketable. Mr. Gryziec's response to this was that the Agency must try to market it in order to determine whether the proposal is marketable, but the concept looked good on paper. Mr. Gryziec provided the Commissioners with a report which he summarized. He also provided a list of developers and referenced a chart he had prepared showing the schedule developed and noted that he expected to have the developers' proposals in hand by Christmas and to be ready by the end of July to select developers. Mr. Gryziec indicated he had had two requests to make of the Commission, the first was to vote for the

NEW BUSINESS (continued)

Yerba Buena Gardens as the Commissioners' first preference for Blocks 2 and 3, and the second was to proceed with the marketing effort for Yerba Buena Gardens.

Mr. Gryziec indicated in reviewing the SOM guidelines that (1) he did not believe that the SOM guidelines were correct in reference to side yards, boundaries and specific locations, and (2) that developers would be confused by the SOM guidelines, particularly in SOM's reference as to floor area ratio, site coverage setbacks and access guidelines. Mr. Gryziec indicated in summary that SOM had provided for a minimum amount of public open space, had a heavy allocation of office space, and that the uses proposed were not appropriately connected. He requested that the Commission direct staff to create guidelines that would fit the Mayor's Select Committee report.

President Wexler indicated he would like to see the marketing proposal for Yerba Buena Gardens go forward, but that he had two concerns: the first, on the matter of economic viability, which on this project only time would tell; the second, on the need for high quality. He also indicated that from the discussion today he was hearing that there may not have been coordination or cooperation between SOM and Mr. Gryziec, and he inquired of Mr. Gryziec if he had tried to work with SOM in resolving the problems that he had posed, and further, how could the Commissioners receive these documents which were just presented and still have time to digest these in order to determine who was right, or to determine how the Agency could pursue these matters. President Wexler indicated he was in no position to direct staff at this time, and he inquired where Mr. Gryziec had arrived at in the overall process?

Mr. Gryziec responded that he had been trying to obtain SOM's cooperation since July when he had first presented his concerns to SOM and had pointed out to SOM, the problems he had presented today. He indicated there were several options and also advised that he had provided drawings regarding pedestrian walks to SOM. SOM had shown a bias and had indicated it did not have the funds since it was not until the third and fourth weeks of August that funds were available. Mr. Gryziec further indicated that he had only one day to review all the material. He indicated he had received from staff the SOM material presented at the last meeting and indicated that he understood the Commission could not act today, but wanted this opportunity to compare his comments with SOM's, and that ideally funds should have been provided earlier.

President Wexler asked for staff comment on the items. Mr. Kernan indicated that staff had assumed that SOM and Mr. Gryziec would be working together and he had been unaware of any lack of coordination but had been aware of a difference of opinion. He indicated it was difficult to have two sets of professional opinions but that the end product on the pedestrian linkage was similar. Mr. Kernan further indicated he had not seen the material just distributed by Mr. Gryziec. He did not believe that some of the items presented were significant differences and that the major difference between the two was regarding SOM's backup scheme which asked the Agency to consider a greater intensity of land use. It was his belief that staff could resolve these concerns.



NEW BUSINESS (continued)

President Wexler indicated from his understanding of Mr. Gryziec's proposal that Mr. Gryziec could not work with SOM's design criteria and, therefore, he assumed that consultants and staff could have decided this matter. He further indicated that it was apparent there was no agreement. Mr. Kernan indicated that what was now needed was specific guidelines. President Wexler inquired if these would be guidelines for Yerba Buena Gardens or alternatives. Mr. Kernan asked Mr. Goldstein to respond.

Mr. Goldstein indicated that there were honest differences but that he believed these could be resolved. President Wexler inquired if SOM would agree to go forward with one proposal. Mr. Goldstein responded that he thought so but there was a difference in the guidelines. President Wexler inquired if Mr. Goldstein had shared these guidelines with Mr. Gryziec. Mr. Gryziec responded that he had just recently received the material. Mr. Glickman inquired if Mr. Goldstein had just received Mr. Gryziec's reports and Mr. Goldstein responded affirmatively. Mr. Glickman observed that there were two opposing parties and it appeared that neither was cooperating. He understood there to be a difference of opinion by the separate presentation. He further indicated it was extremely difficult to compare these separate proposals and strongly suggested that there should be much more cooperation and, also, that it was difficult to listen to testimony being given for long periods of time with information being handed in at the last minute. He indicated he could not absorb information under the circumstances. Mr. Gryziec indicated he had presented material to SOM in July but it had indicated it had neither time nor funds available. Mr. Glickman stated he was not attacking anyone specifically, but substantial dollars had been allocated and spent. President Wexler indicated there had to be a full exchange and that SOM should have given its material to Mr. Gryziec and Mr. Gryziec should have given his material to SOM. In addition to coordination, each should have sought ways to resolve the differences to produce the most effective design. Dr. Williams indicated he would have expected that with professional, sophisticated consultants they would not have added immature emotion and that this type of situation lead to questioning the integrity of the consultants.

Ms. Shelley inquired of staff what the status of the consultant relationships was and what was proposed for the future. Mr. Kernan responded that SOM was to complete its work by December under the current contract, and that Mr. Gryziec had completed his contract. He further indicated that the issue aside from design was SOM's backup proposal, and that if the Yerba Buena Gardens were an appropriate use for the blocks, then the Agency could proceed. If not, staff would have to resolve the differences.

Ms. Blomquist indicated there appeared to be various options, that the height limit proposed by SOM was excessive, and that the Agency did not seem to be getting anywhere.

Mr. Lee inquired of Mr. Gryziec regarding the list of developers he had submitted which represented a total of from 25 to 27 developers and asked if they had been contacted. Mr. Gryziec responded that some had been contacted February 1, 1978 and that the main reason the list was prepared was to show



that there were more than one or two developers who had the potential to do the park.

Mr. Goldstein indicated he would like to correct an impression that SOM may not have proceeded with the best intent and ability.

Dr. Williams inquired what adding hotels and market rate housing would do to the original scheme, would it mitigate the proposal, and how much would this proposal reduce the amount of open space. Mr. Kernan responded that there would be twelve acres of open space in one scheme and eight acres in the fall-back scheme; therefore, open space was reduced, but other uses were added. President Wexler inquired if the fall-back scheme would essentially limit the park to one block. He also indicated his understanding that what was being proposed was not a theme park nor a Tivoli Garden type development. Dr. Williams indicated he had an uncomfortable feeling that some conflicting statements were being suggested by the consultants. President Wexler indicated that the Commissioners would be voting tomorrow at the regular meeting on whether to proceed with the marketing of the Yerba Buena Garden proposal. Mr. Hamilton indicated that the two development proposals did not co-exist very well, and as staff proceeded with the marketing a determination would be made concerning the economic viability of the proposal. President Wexler asked Mr. Gryziec in regard to his proposal how he saw the land being marketed and Mr. Gryziec responded it could be by sale or a lease arrangement. President Wexler inquired what the lease arrangements might be and Mr. Gryziec responded it could be done by a variety of methods including a developer-operator or master developer approach. Mr. Glickman inquired what the value of the land was, and Mr. Gryziec responded that he did not know the value. President Wexler questioned why the Agency did not have the value, and Mr. Kernan responded that the land value would be determined by the proposed use. Mr. Glickman indicated that if it is assumed with a high density the cost might be \$20 a square foot, but then on the other hand if the density were reduced would the Department of Housing and Urban Development (HUD) then permit, for example, \$5 a square foot. Mr. Quentin McMahon, Director of Real Estate, Marketing and Business Development, responded affirmatively. Mr. Hamilton indicated that the redevelopment plan established a variety of uses and consequently a range of values and with designation of a particular use a particular value would be established which would then have to be approved by HUD. President Wexler inquired how a developer would respond to a marketing offer without knowing the value and how a developer would determine the lease was practical without knowing the dollar amount of the lease. He further indicated it did not seem feasible to offer the land to developers at one price and then a few months thereafter indicate the land cost was double. Mr. McMahon responded that a reappraisal of the land was underway and there were particular considerations regarding air rights and the effect of the SOM proposal, but the Agency was proceeding so that it could produce a range of land values. President Wexler inquired when this would be done, and Mr. McMahon responded it would be approximately by the end of October. Mr. Glickman indicated that the consultants would be in a better position when the HUD figure was obtained.

At this time, President Wexler turned the Chair over to Acting President Shelley and both Messrs. Wexler and Williams left the meeting at 5:50 p.m.

Mr. Glickman asked to see the figures on the range of land values when obtained.

NEW BUSINESS (continued)

Acting President Shelley indicated that there being no further questions from the Commissioners testimony would now be received from those in attendance.

Mr. Mario Ciampi of Mario Ciampi and Associates indicated that although this was a difficult process for the Commissioners, it was a great opportunity to provide open space needed in the city. He also indicated that the four-year-old proposals were still valid and originally the convention center had been proposed to be placed underground to obtain open space. Mr. Glickman asked Mr. Ciampi if the Yerba Buena Gardens were compatible with the 1963 project plan, and Mr. Ciampi responded that he had not seen either the SOM or Gryziec proposals. He also indicated that he had served on the review board for the Golden Gateway project and this seemed to be a similar situation. Mr. Glickman requested staff to provide Mr. Ciampi with copies of the SOM and Gryziec reports. Mr. Glickman also inquired of Mr. Ciampi if a running track had been considered in 1963, and Mr. Ciampi responded it had not been in 1963, but today it seemed a logical idea to do so. Mr. Glickman inquired of Mr. Ciampi if he would in his spare time be able to look at the proposals and give the Commissioners the benefit of his long experience with these matters and Mr. Ciampi responded affirmatively.

Ms. Nancy McKay came forward and indicated new housing programs for middle-income people were definitely needed, that there were two divergent forces at work and she was concerned that there should be a mall and adjacent housing areas for seniors in the center, and that first-floor retail and covered walkways would be helpful. Acting President Shelley inquired of Ms. McKay whether she was speaking about market-rate or subsidized housing, and Ms. McKay responded her preference was for subsidized.

Ms. Inez T. Encinger came forward and indicated that she was in favor of the Tivoli Garden concept, that conventions and families wanted this, and that it would be profitable for residents, as well as for conventions.

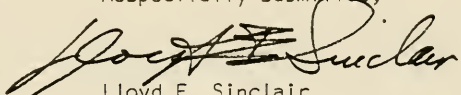
Ms. Blomquist inquired of Mr. Goldstein what the SOM's height limitations were and he responded that SOM's proposed height limits were those of the city and they ranged approximately from five to twenty-six stories. Mr. Kernan indicated that the proposal was to graduate the new building heights down from existing buildings in the area.

Mr. Hamilton indicated staff recommendation was that the Commissioners should approve testing the marketing of Yerba Buena Gardens. Mr. Kernan indicated if the staff recommendation were adopted, staff would work closely with Economic Research Associates, as well as with Mr. Gryziec, in preparing the premarketing offer. It would then go forward to the formal marketing follow-up which the selection of developers could occur. He also indicated he understood that if the marketing effort failed there would be consideration of SOM's fall-back proposal.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Lloyd E. Sinclair". The signature is fluid and cursive, with the first name "Lloyd" and last name "Sinclair" being the most legible parts.

Lloyd E. Sinclair  
Acting Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
26TH DAY OF SEPTEMBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of September 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee  
Dr. Hannibal A. Williams

and the following was absent:

None

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Larry Jacobs, Western Addition Project Area Committee (WAPAC); John Lago, Chief Administrative Office of the City and County; Piero Patri, Sam Caniglia, William Clapp, Ted Pozniakoff, Richard Scott, Steve Lyon, Alan Axelrod, Bradley B. Jones, Mel Guillermo, Faye Guzman and Lin Lyons, Pacific Trade Associates; Tom Callinan, Jack Jarrell, John Montgomery, and Jorge de Quesada, Pacific Union Development Company (Opera Towers); Rex Abriam, Clemencia V. Corpus, Rhody Laigo, and Gloria Abriam, San Francisco Golden Gate Trade Center; Jovita Buted, Rizal Plaza; Frank Mangrobang, Dr. Steven Sadang, E. Galicia, M. DeGuzman, B. Galicia, Aquilino Corpus, Luis Vives, Gabriela Tambio, and Justina Nisalas, Philippine Cultural and Trade Center; Paul Hartman, Pride Foundation; Alex Esclamado and E. Lamas Rosario, Philippine News; R. Z. Delano, and V. Delano, Philippine-American International Center; Robert Becker and John Belz, and James Gibbs, representing Maple Leaf Properties; M. P. Shaw, Empire Development Corporation; Inez Encinger, Family and Friends of San Francisco Richmond; Jack Robinson, Clark and Cramer; Robert Speer, BANG; Ted Frazier, Teall Henderson, Pat Williams, Harrita Burroughs, W. B. McDowell, Sam Martinez, and Tim Peppers, San Francisco Coalition; Richard Gryziec, Yerba Buena Gardens; Maria Galatti, Friends of Tivoli; Mitsuru Tada and Dana Merker, Tada and Associates; James Hikido, Yukio Sekino, and T. Kanoni, Nichi Bei Kai Cultural Center; Tamotsu Sakai, K. Sakai Company; Polly Arzaga, American-Filipino Council; and Perry McCrory, Eliodoro Robles, Jean Marsh, and V. Wagner, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Robert Hollis, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.



APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the minutes of an Executive Meeting of September 13, 1978, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel DD-1, known as Hilltop Park, and dedicated to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel DD-1, known as Hilltop Park, and dedicated to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

UNFINISHED BUSINESS

- (a) Consideration of policy for development of the Central Blocks, Yerba Buena Center Approved Redevelopment Project Area D-1

Mr. Hamilton indicated that two successful workshops had been held involving major consultants respecting proposals for the Central Blocks of Yerba Buena Center. Last evening at the end of the second of these workshops, after both Mr. Richard Gryziec and the firm of Skidmore, Owings and Merrill (SOM) had made their presentations, staff recommended a course of action with respect to development of the surface of the Central Blocks, which would provide a framework for development of those surface areas. It is staff's recommendation that the Commission move to affirm its policy direction to staff to pursue expeditious the marketing of a recreational, cultural, entertainment and commercial complex in the Central Blocks of Yerba Buena Center in keeping with the Mayor's Selection Committee's recommendation for an urban theme park.

Mr. Redmond Kernan, Deputy Executive Director, indicated that Mr. Gryziec will assist staff in contacting developers to build the amusement park. Guidelines will be refined after meetings with the developers and the Chief Administrator's Office to see that plans are in harmony with the Agency's recommendations. By early 1979, staff, assisted by consultants, will have drawn up a formal marketing package provided discussions with potential developers prove there is a market for such a theme park. The Agency must grant approval in soliciting developers for the park. President Wexler indicated he strongly believed the staff should proceed in that direction. He indicated there were two questions about Yerba Buena Gardens that must be carefully answered before the Commissioners give their final approval to start construction, and these dealt with economic viability and the matter of high quality development. President Wexler stressed that the amusement elements must be of high quality and, further, that they must not be "artificial." Also, that staff must provide evidence that the project is marketable and that a financially qualified developer can be found.



UNFINISHED BUSINESS (continued)

Dr. Williams indicated that with San Francisco's tremendous tourist visitations and its reputation as a first-class place to visit, primary consideration should not be given to high-rise offices and market-rate housing but rather to quality open space which would show the foresight of planners for the city's future. He suggested that the Commissioners not be misled by the immediate economic rewards resulting from construction of more buildings. He believed that if a quality place were built, it would become more than economically feasible for the city, since during his tours of other major theme parks, such as Disneyland and Knotts Berry Farm, he had found these to be successful. He indicated that Mr. Gryziec's idea was a good one and that the Agency should go forward with it.

MOTION: It was moved by Dr. Williams, seconded by Ms. Shelley, and unanimously carried that the Commission move to affirm its policy direction to staff to pursue expeditiously the marketing of a recreational, cultural, entertainment, and commercial complex in the Central Blocks of Yerba Buena Center in keeping with the Mayor's Select Committee's recommendation for an urban theme park.

Mrs. Inez Encinger, representing the Family and Friends of San Francisco Richmond, came forward and requested that the Agency show that San Francisco "knows how".

- (b) Resolution No. 198-78 rejecting development proposals for Parcels 1129-B, K and K(1), Western Addition Approved Redevelopment Project Area A-2.

This item concerns a recommendation made to the Commissioners by staff at the August 29, 1978, meeting that proposals submitted by Maple Leaf Properties be rejected. That recommendation was based on an analysis by staff of the quality of work done in accomplishing a rehabilitation job at 1840 Turk Street in the Western Addition A-2 project. The Western Addition Project Area Committee (WAPAC) has met with the developers and Agency staff and looked at that job. WAPAC has recommended that the proposal of Maple Leaf Properties be rejected and that the parcels be publicly reoffered, and staff concurs in this position. Mr. Hamilton indicated that WAPAC's position was based upon the quality of the work performed and also upon the high sales price of the units. WAPAC believed the developer could build and sell the units at a lower price with a comfortable profit.

Mrs. Mary Rogers of WAPAC came forward and indicated that Maple Leaf Properties was proposing a development that was too expensive for certificate holders, and although housing is needed, it is low-to-moderate income housing and this project meets none of these needs. The building at 1840 Turk Street was not up to work standards, and she requested that the parcels be reoffered. She believed the Turk Street building was a poor example of the sweat equity program and the developer was inexperienced. Ms. Blomquist commented that the structure appeared to be good from the exterior and asked what was wrong with it. Mrs. Rogers responded that there were certain standards which were required and the tenants had complained about faulty plumbing and general workmanship.

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Mr. Lee inquired when the rehabilitation job had been completed and if the property were fully occupied. Messrs. Robert Becker and John Belz of Maple Leaf Properties came forward and both indicated that the job was not yet completed since there was still one item to finish which was the roof. In response to Mr. Lee's questions, Mr. Becker indicated that the building had not received a final certification of completion yet. Mr. Lee asked if the developers had submitted plans to the City Hall, and Mr. Becker responded they were submitted in June 1977 and were approved. Mr. Lee questioned how a conflict would occur when one individual is condemning the quality of work and the Department of Public Works approved the plans.

Mr. William McClure, Director of Rehabilitation, came forward and indicated that the plans which had been approved by the Department of Public Works were not final and there were still problems to resolve. He indicated Mr. William Randle, Rehabilitation Counselor, would explain what some of these problems were.

Mr. Randle indicated that there were some major items which had to be redone before the Agency could issue a certificate of completion. Both interior and exterior painting was unacceptable and had to be redone, and the contractor had changed the original locks which had been approved in the original plans. Also, the appliances and carpet padding approved in the original plans were changed and substitutions had been made without advising the Agency. Mr. Randle indicated that the developers admitted their errors but continued to consistently perform work in the wrong way due to inexperience.

Mr. Glickman asked if, in general, the changes were downgraded from the original specifications, and Mr. Randle responded affirmatively. Mr. Glickman asked if the changes or work had been done negligently or purposely to save money or lower costs, and Mr. Randle replied that the Agency was not advised of the changes. He indicated the changes lowered the quality because the developers did not have the experience to know what type of changes could be made. Mr. Belz indicated that the appliances were not downgraded but were changed. He agreed that he had not followed the proper procedure but explained that in one instance he had added insulation as an extra and that with regard to the locks, the specifications did not limit the contractor to a particular brand name. He used the same type of lock but it was not a Schlage lock.

Ms. Blomquist inquired what other projects Maple Leaf Properties had done and Mr. Becker responded that both new and rehabilitated structures had been done in Tam Valley and also on Clay Street in San Francisco. Dr. Williams indicated that reference had been made to the poor paint job and asked if it were standard practice that the Agency and the builders have an agreement as to specifications that would guarantee the builder would not change anything without consent of the Agency. Mr. Becker responded that it was an error on their part that changes were made. Dr. Williams believed this was a serious responsibility of the developer to report when any changes had been made because of the threat of a lawsuit. Mr. Becker replied that there were problems with the painter but he had been removed from the job and another finished the work properly.

UNFINISHED BUSINESS (continued)

Mr. Becker indicated that it was a difficult project and at first they had had an inexperienced supervisor. He indicated the building was a good one and may be brought in under the contract amount. He indicated that all items but the roof had been corrected, although there were no leaks in it. He indicated that there were many things he would have done differently and that there was a better approach he would have preferred to take.

Mr. James Biggs came forward and indicated that he wished to recommend that Maple Leaf Properties be considered as developers of the parcel at the southwest corner of Divisadero and Eddy Streets. He presented to the Commissioners a copy of a letter in which he indicated he had made an unofficial survey of the neighborhood to ascertain if there was support for the project. The consensus was that it would provide stability through home ownership, add revenue to the tax rolls, and end delays in developing the condominium. Dr. Williams asked how it was that the survey Mr. Gibbs had made did not include most of the parishioners who attended Dr. Williams' church which was across the street from the subject parcel. Mr. Gibbs indicated that many people were not asked and that the survey was a random and unofficial one, but it represented a cross-section of people in the neighborhood.

Mr. Robert Speer of BANG came forward and indicated that he had a petition of support from the neighbors who comprised BANG. The group was under the impression that WAPAC would be backing BANG and they did not. He indicated that BANG had attempted to put together a list of people who owned property in the area but it was incomplete. He noted there were only a few tenants in the area. Mr. Speer indicated that although he was pleased with his own rehabilitated house he got from the Agency, there were certain items that were traded off in a rehabilitation contract that were not followed thoroughly. He indicated that he later had to follow up the work with another contractor but he had not made any complaints to the Agency. It was his understanding that there was some disagreement about the Maple Leaf project but he did not wish to go against a community-oriented staff, nor did he or BANG wish to become involved in politics.

President Wexler indicated his understanding that Mr. Speer wished to see a quality development in the neighborhood but the issue was whether this particular development team and their proposal based on their track record would produce this type of development. He asked Mr. Speer if he had arrived at any conclusion that the team had the capacity to do so, and Mr. Speer responded that BANG had seen the blueprints of the new building, it appeared to fit into the area, and that the majority of the residents liked the idea of five small businesses in the building. He had gone through and inspected one rehabilitated building and it was in poor condition but the job which Maple Leaf had done on Turk Street was very good. BANG did not want broken-down housing and vacant lots.

Mr. Arnold Townsend of WAPAC came forward and indicated that WAPAC also did not want broken-down buildings in the area. He believed there was an obligation to the certificate holders and that the Grand Jury had commented on family housing and single-family housing that was needed in the city.

UNFINISHED BUSINESS (continued)

He indicated that WAPAC had been working for years to obtain more subsidies but the Agency had turned down just a few meetings ago a proposal for low-income housing. He indicated that when BANG's poll was taken, there were three developers in the area and now there is only one. President Wexler responded that support for one out of three developers would not be diminished with just one left.

Mr. Hamilton reaffirmed the analysis made by staff of the description and lack of coordination and quality of the Maple Leaf Properties rehabilitation work which confirms staff's recommendation to reject the project.

MOTION: It was moved by Dr. Williams not to move the resolution that staff proposed, since it references Maple Leaf Properties previous work. He believed the Commissioners did not have sufficient information to say the firm was deficient and it would be better not to say anything negative, because the developers may have been so on one rehabilitation job, but this was insufficient evidence. He indicated he had seen the project and it looked right to him. He indicated that the only other competitors bailed out and this was the last choice property left on Divisadero Street to develop. He believed it was a crucial parcel and the Agency should use its best judgment. He suggested rather that all proposals be rejected and staff be instructed to put the site out for new bids and get a new proposal so the Agency can make a decision on disposition of the property in fair competition. The motion died for lack of a second.

Mr. Lee indicated that of the items mentioned by Mr. Randle, most had been taken care of. He also believed that the design itself was right for that corner parcel, and also that the condominium prices projected by the developer was right. He did not see why \$65,000 for a condominium was high, because he believed it was actually a bargain. He hoped that the Commissioners would consider the developers. He noted that three developers had submitted proposals and the first two withdrew and the staff accepted one and, therefore, should follow through with its commitment.

MOTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, that Maple Leaf Properties be designated as the developers of Parcels 1129-B, K and K(1), Western Addition Approved Redevelopment Project Area A-2.

President Wexler inquired if this award were made to designate Maple Leaf Properties as developers, did staff believe that an acceptable development would be constructed. Mr. Hamilton responded negatively stating that this was the basis for staff's recommendation for rejection.

Ms. Shelley asked if staff would explain the relationship between rehabilitation work and new construction and its experience in dealing with these developers. Mr. Hamilton responded that it was a question of attitude and operational style, which affected the quality of the product. He believed Mr. Randle has pointed out what he considered to be a serious matter wherein



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the developer deviated substantially from the specifications and did not consult with staff, which may indicate difficulty in producing a quality development. He believed there was a possibility of this happening to new construction and the developers must be knowledgeable that changes without consultation with staff are unacceptable.

Mr. Glickman asked how many units were involved in the 1840 Turk Street rehabilitation job and the proposed development. Mr. McClure responded that there were 15 units at 1840 Turk Street and 38 units in the new construction. Mr. Glickman indicated he had looked at the plans and thought they looked good, but he was commenting strictly on architectural style and design. He commented that architects have certain skills in drawing plans and it takes another kind of skill to develop the plans and staff may not be talking about quality of architecture but ability of the developer to execute those kinds of plans. He indicated his concern about a developer team which has had some problems with 15 units and wants to take on new construction of a larger project in which there may be more errors, not because of rehabilitation work or new construction, but because of inexperience in the development field. Ms. Shelley asked if the Commissioners were to vote down Mr. Lee's motion which was contradictory to Dr. Williams' motion, was there an alternate motion.

Mr. Glickman responded that he had not seconded Dr. Williams' motion because it appeared staff had made a recommendation that this particular developer was not skilled or had not performed satisfactorily. Dr. Williams had wanted to reopen the bidding and Mr. Lee had suggested that the developers be given the new construction project. Mr. Glickman considered making a motion that the Commissioners follow staff's recommendation for rejection of the developer of the proposed project, which was all that he proposed.

President Wexler believed that there was a duty to try and conform with the wishes of the people living in the area and also balance the kinds of building in the area. The neighbors want to have a first-rate condominium on that parcel and this is a concept the Commissioners have always supported in project areas. However, it is staff's opinion based on their review, that this particular developer was not right to produce a quality development according to the designs and specifications submitted. The Commissioners would be hard-pressed not to follow staff's judgment, therefore, the item should be rejected and put out to public bid. Commissioner Lee's motion would be to accept the proposal of Maple Leaf Properties and designate them as developers of the property.

MOTION: It was moved by Mr. Lee and seconded by Ms. Blomquist that Maple Leaf Properties be designated as the developers of Parcels 1129-B, K and K(1), Western Addition Approved Redevelopment Project, and on roll call the following voted "Aye":

Ms. Berk  
Ms. Blomquist  
Mr. Lee

and the following voted "Nay":

Ms. Shelley  
Mr. Glickman  
Dr. Williams  
Mr. Wexler

UNFINISHED BUSINESS (continued)

and the following abstained:

None

The President thereupon declared that the motion failed.

Mr. Glickman suggested a motion be made based on staff's recommendation that the proposals be rejected and that the project be put out to public bid again. Dr. Williams suggested amending the motion to strike any reference to Maple Leaf Properties. President Wexler inquired if there was any need to give a reason when rejecting, and Agency General Counsel Leo E. Borregard responded that the Commissioners have the power to reject any and all proposals and whether reasons were germane or not was not necessary in his opinion.

MOTION: It was moved by Mr. Glickman and seconded by Dr. Williams that development proposals for Parcels 1129-B, K and K(1) in Western Addition Approved Redevelopment Project Area A-2 be rejected and put out to public bid.

Ms. Berk believed the background reasons for rejection were subjective and insufficient for denying Maple Leaf Properties the award. She believed that a negative recommendation needed more backing than otherwise. Ms. Shelley also agreed she was concerned since it was based on subjective value judgments and there was a conflicting value judgment; however, when there was a staff recommendation and also one from WAPAC which had been constituted in an advisory capacity by the Commissioners that were in agreement, it was difficult to disagree with that kind of thinking since it was the best available to the Commissioners. She believed that the neighborhood should have the best project and this could best be done by opening up the issue to competitive bidding.

MOTION: It was moved by Mr. Glickman and seconded by Dr. Williams that development proposals for Parcels 1129-B, K and K(1), Western Addition Approved Redevelopment Project Area A-2, be rejected without reason and put out to public bid, and on roll call, the following voted "Aye":

Ms. Shelley  
Mr. Glickman  
Dr. Williams  
Mr. Wexler

and the following voted "Nay":

Mr. Lee  
Ms. Berk  
Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.



UNFINISHED BUSINESS (continued)

President Wexler asked when this item would be put out to bid, and Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development responded it would be sometime within the next sixty days; however, it would be preferable that it be put out with more than one parcel and that it be accelerated. He indicated that some other buildings which were part of Offering No. 19 may be occupied and it would take time to clear them. Ms. Blomquist asked if there was any other vacant property in Western Addition A-2, and Mr. McMahon responded that he did not recall offhand but he would review the parcels.

- (c) Resolution No. 212-78 granting Pacific Trade Associates, Inc., exclusive negotiation rights for Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton recalled for the Commissioners that subsequent to the September 12, 1978, meeting when this item was considered, Agency staff had met with the principals of the Pacific Trade Associates (PTA) and requested additional information regarding the proposed agreement between PTA and the Philippine Cultural and Trade Center Corporation. Staff also met with representatives of Opera Towers, Inc. on September 20, 1978, to ascertain if there were plans to revise their proposal as a result of the September 12 meeting, when both items were held over pending further information. The Commissioners had some questions with respect to some of the items and one concerned the willingness and ability of the prospective developer to pay those investors who stood to loose their money when they were part of the Philippine Cultural and Trade Center (PCTC). The other question concerned those who were part of the developer's group and whether or not they were identified as being part of the Filipino community. PTA has assured staff that it is willing to reimburse the PCTC people up to \$500,000 for previously incurred expenses and \$120,000 to replace their deposit retained by the Agency. PTA will make the disbursement in three payments when it receives its first draw down, then upon completion of the building shell, and finally six months after completion of the building shell. This \$120,000 payment is contingent upon the Commissioner's approval of PTA's application of the retained deposit to their proposal and will be made with the requirement that PCTC pay all existing creditors.

Mr. Hamilton indicated that Mr. Thomas Callinan of Opera Towers, Inc., will make his statement on their position, and that PTA has stated that Messrs. Alex Esclamado, of the Filipino community, and Frank Mangrobang, of the PCTC, have lent their support to PTA's proposal. Mr. Hamilton suggested that they present their views.

President Wexler indicated that five proposals had been submitted to the Agency and asked how many of those met the minimum offering requirements so they could be considered for award. Mr. Hamilton responded that staff had received all necessary information and is considering only PTA since it met the test of adequacy on a timely basis, as did Opera Towers, Inc.

President Wexler indicated there were many people present who wished to speak and Mr. Glickman suggested hearing comments from the two timely proposals since he was not in favor of hearing from competitive proposals representatives which were not submitted on time. Ms. Shelley inquired what was considered timely, and Mr. Hamilton responded that the deadline was the close of business, May 1, 1978.

UNFINISHED BUSINESS (continued)

President Wexler indicated that since the offering was a public offering with a deadline the Agency may face legal action if it were to award to someone who had not met that deadline. Ms. Shelley asked if there was a parallel between this situation and that of the Goodman Building proposal where that group alleged that the Agency has refused to deal with their proposal because it had been presented after the time limit. Mr. Hamilton responded that there was a parallel. President Wexler indicated that speakers would be limited to two minutes plus time for questions from the Commissioners and that only individuals wishing to speak for or against the two proposals would be heard.

Mr. Richard Scott of Pacific Trade Associates came forward and indicated that he believed development of Parcel 762-A was an important development for the city because it is located on a prime site. He requested that PTA be designated as developer on the basis of the professional team that was formed. He introduced the members of the team, as follows: Piero Patri, Sam Caniglia, William Clapp, Alan Axelrod, and Frank Mangrobang, representing the Philippine Cultural and Trade Center. He indicated that many questions at the previous Agency meeting involved around reimbursement to the PCTC.

Mr. Alan Axelrod came forward and indicated that he had spoken with Agency General Counsel Leo E. Borregard regarding legal issues, mainly, the contract document referred to as "Exhibit 3," wherein it was indicated that there had been a meeting on May 30, 1978 and later on June 9, 1978 of the shareholders of the PCTC. He presented three documents to the Commissioners, including the notice of special shareholders meeting on May 30, 1978; a document entitled, "Philippine Cultural and Trade Center, Inc. Shareholders Meeting, June 9, 1978, with the names of the shareholders; and a document entitled, "Minutes of Shareholders Meeting of Philippine Cultural and Trade Center, Inc. of June 9, 1978." He indicated that there was no question that the meeting of June 9, 1978 was lawful and there were no questions left concerning the application of the \$620,000. The documents explained who the shareholders were at that particular period of time.

Mr. Frank Mangrobang, representing the PCTC and PTA, came forward and indicated that at a previous meeting the Commissioners had decided to terminate the PCTC designation as developers because there was an understanding that the shareholders would be given a chance to separate from the William C. Haas Construction Company joint venture and to search for another developer who could reimburse them for their investment. He indicated that many potential developers had been approached and every officer of the PCTC was authorized to contact such developers which was done. As a result, PTA has submitted a proposal which was acceptable to the PCTC group and an agreement was signed which would refund \$620,000 to the shareholders. The PCTC attorney, Mr. Charles Stuhr, believed this amount would be sufficient to reimburse each and every investor who had contributed legally to the venture, although any others could not be spoken for. He believed it was an opportunity for the Filipinos to get their money back.

Mr. Glickman asked about the \$620,000 and how it would be returned. Mr. Mangrobang explained that there was a list of investors who had put their money into the corporation and also a list of all expenses incurred up to the time when the contract was signed. Mr. Glickman questioned whether PTA would return \$620,000 because he could only arrive at a figure of \$500,000, and Mr. Mangrobang indicated the agreement so stipulated this reimbursement. Mr. Axelrod indicated that there was an amount of \$120,000 which was part of the performance deposit

UNFINISHED BUSINESS (continued)

which the Agency had retained and that PTA would reimburse the group up to \$500,000 for previously incurred expenses, provided that everything was approved; thus, the transfer would be made from the PCTC to PTA, broken down as follows: \$436,500 as a cash disbursement, plus two judgments of creditors against the PCTC's \$120,000; and \$92,000 in unidentified claims, for a total of \$648,500. He indicated that there had been an attempt made by two creditors to claim the \$120,000 deposit but there was some question as to whether the \$120,000 would only be available for return to the PCTC should the project go forward. The Agency would have to have some claim to that money and this may have to be interpreted in court to allow the creditors to decide who gets this money. Mr. Axelrod indicated that for some of the unidentified bills the statute of limitation may have already run out. Mr. Glickman indicated then that \$500,00 would be available to be paid in accordance with a particular schedule and the \$120,000 would be paid out of the developer's pocket. Mr. Axelrod stressed the whole \$648,500 would only be available if the project went forward.

President Wexler indicated his concern as to whether or not PTA, in addition to what it would normally put up for disbursement, would also make available additional money up to \$620,000 to satisfy creditors and investors. He questioned if PTA was to put up \$500,000 or \$620,000, and Mr. Axelrod responded it was \$620,000. President Wexler asked if this included the \$120,000 deposit held by the Agency, since the Commissioners had already decided to retain this money and not to forfeit it. He asked if PTA was going to put up \$120,000 in addition to the other money since the Agency would hold the \$120,000 deposit until the work was completed which may be long after the investors have been given the \$620,000.

Mr. William Clapp of PTA came forward and explained that the \$500,00 would be disbursed in three installments. President Wexler inquired if this came out of the deposit held by the Agency, and Mr. Clapp responded that the Agency holds the deposit until construction is completed and that money of the Agency's will not be returned to PTA until after that work is done. President Wexler asked if after all money has been transferred would PTA be out of pocket to the maximum amount, in order to pay off creditors and investors, for a total of \$620,000 or only \$500,000. Mr. Clapp indicated PTA will pay the \$620,000. Mr. Borregard indicated his understanding that there was an assignment of the \$120,000 from PCTC to PTA and the money would be retained by PTA at some point. At the time the construction is completed the deposit is returned and it would go to PTA which would have a net amount of \$500,000 because the \$120,000 comes from the PCTC. Mr. Clapp added that the net cost to PTA was \$620,000 with a deposit coming back of \$500,000.

Mr. Glickman referred to an April 28, 1978 letter from Mr. Scott to Mr. Charles Stuhr, attorney representing the PCTC, and he asked if any of the principals of PTA had been changed. Mr. Axelrod responded that the existing shareholders were noted in paragraph (d) of page 2 of that letter. Mr. Glickman asked if PTA were incorporated, and Mr. Axelrod indicated that the paragraph was written as an indemnity clause or mutual release and that the shareholders of PTA did not include either Messrs. William Kellar or M. Donald Katz, formerly associated with the PCTC. Mr. Glickman inquired if the list had been changed since Messrs. Kellar and Katz had given up their principal position as stockholders in the corporation and Mr. Axelrod concurred indicating that they were no longer principals, particularly since Mr. Katz is a general creditor.



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Mr. Piero Patri came forward and introduced some of the members of his team which included many creditors and those who have done work, such as engineering and other studies required by City Departments. He indicated that Whisler/Patri was the consultant team and it was ready to go ahead with the two six-story and two ten-story office towers and 804-car garage, containing 365,000 net square feet of office space and 69,000 net square feet of retail space. The estimated cost is \$46.5 million for the entire project. Mr. Patri indicated that there had been some changes from the original design so that there is a central courtyard and theme building with open space toward the Civic Center. The residential tower creating a center block protected from the westerly winds. The residential tower originally had 154 small units and now has 88 one-bedroom units and condominiums. The 804-car garage will be on three levels with spaces available in the evenings and weekends for public parking. About 2,000 square feet would be assigned to a nonprofit Filipino organization for use as a cultural center.

Ms. Blomquist inquired how high the towers were and Mr. Patri responded that there were two ten-story office building towers, one thirteen-story apartment building and two six-story office towers and the highest would be 1,301 feet.

Mr. Steve Lyon, project architect, noted that the plans have been completed and approved. Ms. Blomquist asked when Mr. Katz had severed his relationship with PCTC and Mr. Axelrod responded it was in June 1978. President Wexler indicated that representatives from the Opera Towers Plaza would be heard from next.

Mr. Thomas Callinan, representing the Pacific Union Development Company and Pacific Union Company, came forward and indicated that at the meeting of September 12, 1978 the Commissioners had asked Pacific Union Development Company (PUDC) to consider the possibility of incorporating some type of consideration to mitigate the complex problem resulting from the Filipino involvement in the PCTC proposal. He indicated that PUDC proposes as one solution to pay the Agency \$225,000 at the time of funding of the construction loan for Opera Tower Plaza which would be used to reimburse the investors. As an alternative, PUDC would be willing to provide 4,000 square feet of space to a nonprofit Filipino organization for use as a cultural center for the community on a triple net lease for ten years at a cost of \$1 per year, renewable after ten years at the market rate. There would also be a five-level garage with 636 spaces that would permit 250 spaces to be used for evening use. He indicated that the project was economically feasible with the use of Senate Bill 99 tax-free revenue bonds. The project would contain four condominium towers with 396 units, townhouses, flats, retail and commercial space, and a garage at a cost of \$38.4 million. There would be 270 two-bedroom, two-bath condominiums selling between \$80,000 to \$85,000 and 90 one-bedroom, one-bath units selling for \$68,000.

Mr. John Montgomery of the Pacific Union Company (PUC) came forward and indicated that in his opinion there was a greater need for residential rather than office space in the city and he believed that the Opera Towers Plaza proposal was the one to best meet this need. He was concerned about the lack of housing in the city and indicated that PUC could produce housing at low cost for people who wished to buy rather than rent and he supported housing that was for sale, which could easily be financed under the SB 99 approach.

Ms. Blomquist noted that there would be approximately 400 parking spaces and 25 for evening use in the Opera Towers proposal and that the Pacific Trade Association

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had 804 spaces. Mr. Montgomery indicated that to obtain more spaces the garage could go down one more story. President Wexler inquired if Mr. Montgomery would find it economically feasible to rent the 396 condominiums or sell them in the price range indicated and still allocate space for a cultural center. Mr. Callinan responded that the condominiums would be sold for whatever the market is and this should bring \$400,000 to the Filipino community and that he could work on something that was satisfactory to the Agency but he may need additional time to do this. Mr. Glickman indicated that there was a shortness of time but the matter could be delayed if necessary for the developer to meet with staff and renegotiate his figures to include both additional parking and reimbursement to the Filipinos. Messrs. Callinan and Montgomery indicated they would be willing to do whatever was possible. Mr. Glickman believed Opera Towers, Inc. should be given more time, and President Wexler inquired how much time was needed to make such determination. Mr. Callinan indicated his willingness to proceed as soon as possible.

President Wexler indicated that there were two good, timely proposals of merit which were different that would be an asset to the city and the Commissioners would have to make a decision as to which one they preferred. One factor was the additional benefits brought in the proposals, and he believed it was difficult to believe Mr. Callinan was going into a project without some idea of making a successful project. He believed that the price range of \$44,000 to \$95,000 was basically the same market as when dealing with SB 99. Mr. Glickman disagreed because he believed it was not the Commissioners' position to advise as to who can or cannot sell the condominiums, and if Mr. Callinan needed more time to study the matter than in order to put him in an equal position timewise the Commissioners should delay the item for a period of time to allow him to look at construction and purchase prices. He also believed there was an obligation to the city for development of this site and the Opera Towers team was not present when it was believed there was strong obligation to return a portion of the deposit to the Filipino community which had mortgaged homes and spent life savings to invest in the project. He asked Mr. Montgomery if he could reanalyze the figures, and he responded affirmatively indicating, however, that he did not know the "bottom line" since nothing had gone to bid. He did know what the marketability of the units was and would do anything sensible from an economic standpoint. He also indicated Opera Towers was not unsympathetic to the plight of the Filipino community, although it would be desirable to deal with an intermediary and more time was needed to do this. Mr. Glickman believed this procedure was sound in providing cash to the intermediary and reiterated that the Agency had an obligation to both the city and community and again asked if Mr. Montgomery would reevaluate the developer's position. Mr. Montgomery replied his concern would be with the cost of doing business and that some of this money would be profit, so he would be willing to reevaluate.

Mr. Lee asked about the amount of square footage that may go to the cultural center, and Mr. Callinan responded that he had not been in contact with any nonprofit organization as to the activities needed but 4,000 square feet is the estimated amount for a cultural center. Mr. Lee asked if this could be increased, and Mr. Callinan answered affirmatively. Mr. Lee asked about consideration of a ten-year lease and Mr. Callinan's answer was that this would have to be reevaluated as well as any matters dealing with the cultural foundation.

At this point, Ms. Shelley left the meeting at 6:45 p.m.

President Wexler asked if any number of parking spaces could be added, and Mr. Jorge DeQuesada, architect for Opera Towers, Inc., came forward and indicated

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that spaces could be added since the parking structure is integrated inside the towers. Parking could be extended on a lower level provided the developers did not run into any soils problems and if it is economically feasible. He recognized there was only a limited amount of housing available and this development would provide housing. It was a matter of deciding whether office buildings or housing was more desirable on the site. Mr. Glickman asked how far Mr. DeQuesada had progressed with his plans at this time. Since working drawings had to be 60 percent completed to obtain permits, Mr. DeQuesada indicated he was well advanced and construction could start within 90 days from the time of award. He could complete the working drawings within 90 days.

Ms. Gloria Abriam of the San Francisco Golden Gate Trade Center came forward and indicated that she was supportive of the Filipino people and the Golden Gate Trade Center. She indicated she had never signed any proposal nor did Mrs. Jovita Buted, who represented Rizal Plaza, and she did not accept the Pacific Trade Center development. Mr. Glickman asked if she was against the PTA and she replied affirmatively adding that she was also against the Opera Towers proposal.

Ms. Jean Marsh came forward and indicated her concern that Ms. Abriam was attempting to prevent PTA from developing the site when it had worked in depth for more than one year with all these organizations. The plans are ready and approved and the property should be put back on the tax rolls to produce \$.5 million in revenue for the city. She indicated that Opera Towers is starting from the first phase to satisfy all these requirements and it would take another year and cause a loss in tax money. In response to President Wexler's question she indicated she had no relationship to the developers but was an interested citizen.

Ms. Rhody Laigo representing the San Francisco Golden Gate Trade Center came forward and indicated that last year when the Commissioners terminated the exclusive negotiating rights of the Philippine Cultural and Trade Center because of lack of funds, her group was promised further consideration if it found funding. She claimed that this funding was now available and reliable. President Wexler asked which proposal she was speaking to, and she indicated she was against the PTA proposal. President Wexler asked if she was asking that the Commissioners make an award to other than PTA and Opera Towers, and she responded affirmatively. She asked for another chance but President Wexler indicated that in that case all bids would have to be rejected and the item rebid which would cause further delay. She then made an appeal that the Commissioners give her group another site.

Ms. Polly Arzaga, President of the American-Filipino Council, came forward and indicated the Council represented thirty-seven community organizations and she was present to ask support for refund of personal investments and to support the PCTC.

Mr. Ted Pozniakoff of PTA came forward and indicated that he represented the Allied Services Group, PTA, and the Filipino community. He indicated his concern about the continual delays and his belief that award would have been made to either of the two developers. In his opinion, PTA offered the best possibility of reimbursing the community and requested that it be designated as developer of the site. Mr. Glickman responded that a major site in San Francisco was being dealt with and one that had a long life; therefore, because of the



UNFINISHED BUSINESS (continued)

complexity of the situation it would not be expected that a quick decision would be made. He indicated there were various elements to examine carefully, and the Commissioners did not wish to make any mistakes because of time pressures. He believed that a sixty-day delay was a small period of time in selection of a developer of that site. Mr. Pozniakoff indicated that the project has been in operation for over four years and that the PCTC group had been terminated in November 1977. PTA, in his opinion, had helped the community and worked with them and he asked when a decision would be made. President Wexler indicated that at the previous meeting many differing opinions had been presented. He indicated that the Commissioners could make a decision today or continue to another date. The project was a large one and the Commissioners wanted to be certain the right decision was made and more time was needed to have various groups do their work. Mr. Pozniakoff indicated that Allied Services Group was the funding group for PTA and it was awaiting actual award of the site.

Mr. Alex Esclamado of the Philippine News came forward and indicated that at the September 20, 1977 meeting he had outlined the background of the request and basic issues involved concerning this project. He supported PTA's proposal because PTA had communicated properly with the Filipino community and because it satisfied one aspect required by the Agency that the investors be properly compensated for the loss of their investment. He believed PTA's proposal came in without any connection with Messrs. William Kellar and M. Donald Katz. He noted that Ms. Rhody Laigo and Dominador Villa were no longer members of the PCTC. He indicated his opposition to the Opera Towers proposal because it does not include the cultural center in the project which is the core issue in the community and also because the developers offered \$125,000 which is insufficient to indemnify the investors of the project.

President Wexler asked representatives of PTA if space had been set aside for a cultural center, and Mr. Alan Axelrod responded that the amount of space had been discussed. Mr. Esclamado has been working on this matter, but has not yet informed PTA of specific space requirements and that PTA would work with Mr. Esclamado and the Filipino-American Council. Mr. Axelrod indicated that original 6,000 square feet was considered for an office. Mr. Scott indicated the minimum amount would be from 1,500 to 2,000 square feet for the center, and that the space would be allocated for a nonprofit organization for five years on a cost plus services basis of 40 cents per square foot per month. Mr. Esclamado indicated this would be done in good faith and would accommodate the community's requirements.

Ms. Clemencia Corpus, representing the San Francisco Golden Gate Trade Center came forward and indicated support for her group because its package had been completed. President Wexler indicated that it had not been sufficient and he inquired which of the two proposals she supported. Ms. Corpus responded that she opposed both and that her group's submission had been adequate and on time. She asked that all proposals be rejected.

Ms. Blomquist asked how Allied Services Group was connected to PTA, and Mr. Scott replied that the group was a separate entity from PTA under a contractual relationship with PTA to raise financing.

At this point, Ms. Berk left the meeting at 7:10 p.m.

UNFINISHED BUSINESS (continued)

Dr. Steven Sadang of the Philippine-American International Corporation came forward and requested that negotiating rights be reconsidered. President Wexler asked if Dr. Sadang was opposed to both PTA and Opera Towers since the only action would be to award to one or the other or reject all bids. Dr. Sadang indicated he was in favor of the Philippine-American International Corporation proposal and read supporting material. President Wexler explained that both PTA and Opera Towers, Inc. had submitted proposals in a timely manner and only these were under consideration.

At this point, Mr. Glickman left the meeting at 7:30 p.m. and Ms. Berk returned.

Mr. Paul Hartman of Pride Foundation came forward and indicated that more parking should be provided by both developers and that he believed the bidders had a moral obligation to the community.

Mr. Rex Abriam of the San Francisco Golden Gate Trade Center came forward and indicated that there were 600 active paying members in the organization and any others did not represent the Filipino community. He indicated that only four of the developers had people from the former PCTC and his group had more. He believed that Mr. Esclamado was attempting to lead PTA on because most of the Filipinos he represented were senior citizens who could be easily manipulated. He indicated he was against the PTA proposal, and he had no comment on the Opera Towers, Inc. proposal.

Mr. Sam Caniglia of Jannan Construction, Inc. came forward and indicated he had been associated with the project at the time William C. Haas was also involved as contractor, but he was now associated with Mr. Piero Patri and the PTA. He indicated that it had taken months to put the plans and design in shape and since these were already approved it would be possible upon designation to commence construction within sixty to ninety days on a fast-track method, which would be sooner than any other developer. Dr. Williams inquired what Mr. Caniglia's relationship was with PTA and he replied Jannan Construction, Inc. would be the builder, or general contractor for the project.

Mrs. Jovita Buted, representing Rizal Plaza, came forward and indicated that she was one of those in the Filipino community who had worked hard to create a cultural center and as the largest investor had mortgaged her home in the attempt. She requested that her group be considered as the developer of the site and indicated that all of the Filipino groups now had their own financing. President Wexler asked which proposal she was supporting, and she responded that she supported neither PTA nor Opera Towers, Inc. She indicated that she had removed herself from any connections with the PCTC because it no longer represented the Filipino people.

Mr. Townsend of WAPAC indicated that WAPAC had decided to support the proposal from PTA but a major concern was the guarantee that the Filipino people would be reimbursed. He was concerned that the creditors would go after the investors after the money had been reimbursed and he did not wish to see the Filipinos lose their own money. He believed that PTA would provide needed jobs to residents of the community and the project would bring private capital into the area. He believed that Opera Towers proposed housing that was too expensive for the community and the housing proposed by PTA was more pleasing

UNFINISHED BUSINESS (continued)

than condominiums. Mr. Hamilton indicated that there were issues of merit in both proposals before the Commissioners, but it was the recommendation of staff that exclusive negotiating rights be granted to PTA. He indicated that there were some matters which would not be resolved until the Agency takes definitive action. For example, the combination space, housing, and ground floor commercial with parking appears in staff's judgment to be an appropriate mix but whether this could be feasible development would depend upon whether there is a market for office space and this could not be determined until negotiating rights were granted. Mr. Hamilton also indicated that it was evident that the protection of the interests of the Filipino community and restitution of their funds and also the provision of space for a cultural center were also issues the Agency strongly believed should be considered. However, the amount or use of the cultural center space is not sufficiently refined at this time. Mr. Esclamado came forward and reported he had entered into new discussions with respect to some of the concerns Mr. Hamilton noted, but at this time nothing had been resolved.

Mr. Hamilton indicated that Opera Towers had indicated its analysis was not yet final and PTA had already spent much time but still needed to have better identification of the Filipino community's participation and definition of space. He believed there were many elements of the community and he believed resolution of these matters could be accomplished within thirty days. He suggested that the Agency indicate its intention to designate one of the two qualified PTA and Opera Towers developers and allow thirty days to refine all ambiguous areas. Mr. Hamilton indicated that it would be difficult and a mistake to make a choice today since some issues needed to be clarified and assurances made to the satisfaction of all concerned. Dr. Williams indicated that it was the last chance for the Filipino community to unite and support one of the two qualified developers. Mr. Hamilton recommended that this matter be deferred for thirty days and all members of the Filipino community be given until October 24, 1978, to reach a consensus on support of one of the two qualified developers.

MOTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that action be deferred until October 24, 1978, on granting exclusive negotiating rights for Parcel 762-A to the Pacific Trade Associates, Inc., Western Addition Approved Redevelopment Project Area A-2, and on roll call the following voted "Aye":

Ms. Berk  
Ms. Blomquist  
Mr. Lee  
Dr. Williams  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

UNFINISHED BUSINESS (continued)

President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 8:10 p.m.

At this time, Ms. Berk left the meeting at 8:10 p.m.

The meeting reconvened at 8:20 p.m.

NEW BUSINESS

- (a) Resolution No. 234-78 authorizing execution of conveyance instruments and ratifying and confirming publication of a notice of a public hearing in connection with the dedication and conveyance of disposition Parcel DD-1, known as Hilltop Park, to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item was the subject of the public hearing just held and concerns conveyance of the 3.41-acre Hilltop Park in Hunters Point to the City at no cost. The park development was provided for in the approved Redevelopment Plan for Hunters Point and constructed by the Agency for the City. President Wexler commented on the excellent park that had been created and complimented the Agency staff on their fine work.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Consideration of approval of the Roosevelt Carrie Agency as insurance carrier for the Agency's office public liability insurance policy.

This concerns an award of the Agency's public liability insurance to the Roosevelt Carrie Agency for \$2,646.58 to cover the central office and a small office used by the Northeastern Waterfront project office staff at the Ferry Building. Quotations were solicited from seven brokers but the Roosevelt Carrie Agency was the sole respondent. President Wexler inquired if there was any information on why only one bid was submitted, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that she had not sought out that information because it was a small amount of business and the quotation was reasonable.

MOTION: It was moved by Dr. Williams, seconded by Ms. Blomquist, and unanimously carried that the Agency's public liability insurance policy be awarded to the Roosevelt Carrie Agency.

- (c) Resolution No. 235-78 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-K(2) to a member-shareholder of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This item concerns execution of an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment and approval of the subsequent transfer by the Nihonmachi Community Development Corporation of Parcel 686-K(2) for \$53,623 to the K. Sakai Company. The 4,875 square foot parcel is located on the north side of Post between Laguna and Buchanan Streets in the Nihonmachi area. The K. Sakai Company proposes to construct a two-story



NEW BUSINESS (continued)

commercial building which will be available for lease. The transfer and conveyance, as well as the proposed sales price, are subject to the Department of Housing and Urban Development (HUD) concurrence and Commission action. President Wexler inquired if there were any problems concerning the time lapse between the July 13, 1978 date when WAPAC reviewed and approved the plans for development and the December 29, 1977 date when the Nihonmachi Community Development Corporation made its approval, and Mr. Richard Kono, Assistant Area Director for Western Addition A-2, responded there were none. President Wexler asked if this were the normal amount of time in which to submit the item to the Commissioners, and Mr. Kono responded that in these developments the staff prefers to have them at the stage where the developers are prepared to move quickly with the development and that the K. Sakai Company had to obtain approval by the City Planning Commission of its plans and this accounted for the time lapse. They are now waiting for the financing.

ADOPTION: It was moved by Mr. Lee, seconded by Dr. Williams and unanimously carried that this resolution be adopted.

- (d) Resolution No.236-78 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-N to a member-shareholder of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item was similar to the previous one and concerned an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment and approval of the subsequent transfer by the Nihonmachi Community Development Corporation for \$11,500 of Parcel 686-N to Nichi Bei Kai. The 3,870 square foot parcel is located on Sutter between Laguna and Buchanan Streets. Nichi Bei Kai plans to construct a two-story building with a basement for community use which will also contain a library, exhibit room, classrooms, and office space for Nichi Bei Kai. The conveyance and sales price are subject to HUD concurrence and Commission action.

Ms. Blomquist asked if this parcel were under disposition two years ago to a senior citizen's housing group, and Mr. Kono indicated that parcel was under construction on Sutter Street. President Wexler indicated that the parcels were close to one another and inquired about the land values, which appeared to show Parcel 686-K(2) for \$53,623 for 4,875 square feet, or \$11 per square foot, and Parcel 686-N for \$11,500 for 2,870 square feet, or \$4 per square foot. Mr. Kono responded that the difference was due to one being a commercial site and the other a residential site.. The Nihonmachi Buchanan Street Mall was a prime commercial location and was therefore more expensive. President Wexler asked if the parcel would be of less value because of the public nonprofit use of the parcel or was it less valuable because it was the fifth parcel from the Buchanan Street Mall, and Mr. Kono explained that the parcel was residentially zoned and its location was in the interior portion of the block.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 237-78 modification of off-street parking requirement of the Redevelopment Plan pertaining specifically to a portion of Block 686, Parcel 686-N, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

Mr. Hamilton indicated that this item was again a related matter and concerned granting a variance from the Redevelopment Plan for the Western Addition Area A-2 to require no parking spaces for the Nichi Bei Kai Cultural Center to be constructed on Parcel 686-N in the Nihonmachi. To satisfy the Plan's parking standard, six spaces would be required. The site abuts a parcel which will be developed for public parking by the Nihonmachi Parking Corporation and it is also across from a public parking garage under the Japanese Cultural and Trade Center and near still another parking lot already developed and operated by the same Corporation. The cultural center occupies 3,000 square feet and the City Planning Code does not require that any off-street parking be provided. Dr. Williams inquired how many parking spaces are permitted, and Mr. Hamilton responded six, but there was available parking in the area. Dr. Williams indicated that parking in the area was expensive. Mr. Kono indicated there was sufficient parking because the Japanese Cultural and Trade Center has 800 spaces, the Nihonmachi Parking Corporation has 125 spaces, and there will be three spaces behind the building. Mr. Kono indicated that it is anticipated that many people from the senior citizen projects in the area could walk rather than drive to the area. President Wexler asked if the variance were not granted, who would use the parking spaces, and Mr. Kono replied most people walked to the center and there was additional space. Dr. Williams commented that six spaces would not make any difference and his only concern was that poor people from the area could not pay \$2 an hour for parking.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 238-78 awarding Site Clearance Contract No. R-2 to the Empire Site Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This item concerns award of a site improvement contract to Empire Site Development Corporation for grading and preparation of two sites located at the north-east corner of Divisadero and Ellis and the southwest corner of O'Farrell and Scott Streets in the Western Addition A-2 project area for \$63,207.50. In addition, the contract will also provide for removal of accumulated debris from five blocks located in the Fillmore Center and removal of foundations, slabs, and other debris from the building site at 1759 Sutter Street. Empire was the low bidder of five bids received from a solicitation of nine who had requested packets. The firm has previously worked in the Hunters Point and Western Addition areas under another business name.

President Wexler asked since there had been a public bid solicitation, why this did not show in the "whereas" clause of the resolution, and Mr. Borregard explained that sometimes several different forms of resolutions are employed and some indicate that the contract was put out to public bid but not in this particular form which has been used from time to time. President Wexler indicated that he would prefer following a public bidding procedure so there would be no confusion, and Mr. Borregard indicated that the resolution states the Empire was the low bid received.

Mr. Lee asked what the procedure was when there was a low bid 50 percent under the second bidder, and Mr. Frank Cannizzaro, Chief of Engineering, explained



NEW BUSINESS (continued)

that the staff would inquire as to the reasons for the differential and asked the contractor to explain if there was any problem with the specifications. In this case, there was a great deal of loose debris removing, and the contractors came up with various costs. The contractors did not indicate any problems with the specifications and staff was confident that the plans were correct. Mr. McKinley Shaw of Empire Site Development Corporation indicated that he had had no difficulty understanding the bid instructions, and in response to Mr. Lee's question he also indicated that he was confident as a 100 percent bonded contractor that the sites would be stripped properly of loose debris. Mr. Cannizzaro indicated that there had been bid differences on some lots regarding clearance and no two contractors bid clearance on the lots the same way but the bids were close on preparation of sites.

ADOPTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 239-78 authorizing execution of amendment to agreement for consultant services with Economics Research Associates, Yerba Buena Center Approved Redevelopment Project Area D-1.

This concerns an amendment to an agreement for services with Economics Research Associates to provide assistance in preparing a presentation for the Urban Land Institute meeting in San Francisco on October 8, 1978 and follow-up discussions with interested developers. Mr. Richard Gryziec, architect for the Yerba Buena Gardens, will also assist the Agency in preparing for this meeting, however, his services are provided for under an existing contract. The maximum cost for these services is to be provided on a time and materials basis not to exceed \$3,000.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 240-78 authorizing the Executive Director to negotiate a contract with Roger and Nancy Olmsted for an archival study for the balance of the Yerba Buena Center Approved Redevelopment Project Area.

This concerns a contract for an archival study to determine the potential historical, archeological, and cultural resources for the balance of the Yerba Buena Center project with Roger and Nancy Olmsted in the range of \$40,000 to \$50,000. This proposed study was an eligible project expense and is required by HUD prior to its approval of any contracts for sale or lease of land submitted by the Agency. The Olmsteds who are historical consultants and their archeological consultant, Dr. Allen Pastron, had prepared a similar study for the convention center site in November 1977 as part of the Environmental Impact Report, for which they were paid \$43,692.50. They have also been commissioned by Rockrise Odermatt Mountjoy Associates (ROMA) to survey the historical cultural resources of the Northeastern Waterfront area at a cost of \$9,400. Because of their familiarity with the Yerba Buena Center area, staff believes it would be prudent to conduct the archival study for the balance of the project area making use of information previously accumulated.

Ms. Blomquist indicated she had been favorably impressed with the work the Olmsteds had performed for ROMA but questioned the amount of money being spent on vacant land where there were very few buildings to save. President Wexler

NEW BUSINESS (continued)

asked for an explanation of their contract for the Northeastern Waterfront project. Mr. Thomas Conrad, Chief of Planning, Housing and Programming, indicated that the study was to discover what was in the area and what was still in the ground. It did not take into account the remaining buildings, since the only investigation would be potentially underground. The \$43,692.50 was used in this way for the convention center in Yerba Buena Center site. Ms. Blomquist asked what was underground archeologically since she believed this work had already been done for the EIR and the expenditure was exorbitant. Mr. Conrad responded that the EIR covered only the convention center and this work which was prepared for the EIR became part of the Environmental Impact Study (EIS). The work would be paid for with money already approved by HUD.

President Wexler inquired if the Olmsteds would make a determination as to any buildings which may be in the area and Mr. Conrad responded that they would only investigate what may be there. He reiterated that HUD would not approve sale or lease of land without this study. President Wexler asked how costs were determined, and Mr. Conrad responded that this had been discussed with the Olmsteds and he was aware of how extensively they researched records back to the 1850's. He believed their figures to be realistic, because they would do a detailed study and the law requires that this be done the same way as it was for the convention center, which cost \$43,692.50. President Wexler asked if staff had checked with other similar consultants to determine if the costs were appropriate, and Mr. Conrad indicated that this was not done but the rates when compared to consultants who submitted proposals on the Northeastern Waterfront study were considered to be less expensive. He considered their prior knowledge of the area useful and they would be on hand to respond to any questions.

Dr. Williams asked if any problems would arise if this item were postponed and what time frame staff had to complete the job. Mr. Conrad responded that an extra week would do no harm but he did not wish to delay Arcon/Pacific and Campeau Corporation of California in their schedule. Dr. Williams indicated his concurrence with Ms. Blomquist's concern about the cost but given the nature of this specialized work it was difficult to compare the costs with other consultants, and the Agency is at the mercy of anyone who can do what they wanted. He preferred to have the consultants explain exactly what would be done by line item descriptions under the \$40,000 to \$50,000 proposed contract. Mr. Conrad indicated they had already done this and only authority to negotiate the contract was being requested. President Wexler indicated that the Commissioners had no basis for evaluating what those services ought to be or how the contract would compare with another independent study, although he stressed there was no question about the Olmsted's professional ability. Mr. Lee asked if the prices were broken down on the previous contract, and Mr. Conrad responded affirmatively and that this was done at the time the contract was executed. He indicated this contract would also be brought back before the Commissioners. President Wexler believed he did not have sufficient information and that the staff should contact other people in the same field to independently determine what their analysis would be and what the job ought to cost, since it may be higher or lower. Ms. Blomquist asked for comparables.

Mr. Kernan indicated that permission was necessary in order to negotiate the contract and it would be on a time and materials basis. President Wexler commented that it appeared to be the same kind of contract and the rates had not changed significantly so the former contract in detail may give some idea

NEW BUSINESS (continued)

of the work scheduled. Ms. Blomquist indicated that the ERA consultants were paid a great deal of money and the Agency did not get much for its money on that contract. She believed that there should be a maximum of from \$15,000 to \$20,000 on this contract.

President Wexler indicated the Commissioners needed more information and asked if information could be made available on whether the contract could be negotiated down to \$20,000 when \$40,000 was projected. He stressed it was important not to delay the Arcon/Pacific-Campeau developers. Mr. Hamilton indicated that if proposals were solicited from other firms, then it would take more than one week and also there was the consideration as to whether the contractor would be available to perform the work. In his opinion it appeared that based upon their professional record and past experience in the area that the consultants had the ability and capacity to perform the work. Mr. Kernan suggested that it may be better not to have any reference to the dollar amount as a precommitment but only to authorize the staff to negotiate the contract with the Olmsteds to see what could be done in a better way on the work items. Dr. Williams expressed doubt that the Olmsteds would not do anything with this contract because they would still have another block to work on and that price would go up accordingly.

Mr. Conrad indicated that the Olmsteds had to go to Washington, D.C. to obtain records. Dr. Williams responded that they could put their hand on all the documents because they had already done this previously, and the documents were the same. President Wexler concluded that it was only good business practice to obtain a comparable and another opinion from someone else in the same field, and if that individual submitted a cost of \$50,000 to \$60,000 for the work then the Agency could say it had saved \$5,000 because prior work was done on an adjacent parcel. He failed to understand why this inquiry could not be made. Mr. Conrad indicated this could be done, and President Wexler requested that the information be brought back to the Commissioners next week so that everyone would know what this cost was. Mr. Lee noted that the contract was on time and materials basis and HUD wanted a written report on it. He asked if a professional would know what the cost would be in an open contract, and Mr. Conrad replied that it would depend upon how detailed the information was because it was not a given fixed product. Mr. Lee believed one should know what the cost would be.

MOTION: It was moved by Ms. Blomquist, seconded by Dr. Williams, and unanimously carried that the contract with Roger and Nancy Olmsted for an archival study for the balance of the Yerba Buena Center Approved Redevelopment Project Area be delayed for two weeks pending further information on costs.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton indicated he wished to report to the Commissioners that he had received a letter from the Mayor's Office regarding the Agency's 1979 Community Development budget and that he needed some direction from the Commissioners as to the response, which would be in two stages. The letter request that the Agency reduce its budget and suggest that Northeastern Waterfront and Bayview North be deleted. This raises some policy questions that affect the Agency in its future activities. President Wexler indicated that he did not see how the Commissioners could respond to the letter before all the Commissioners had some input and he inquired what the time schedule was for response. Mr. Hamilton indicated the Mayor requested early response since the budget would come before the Board of



MATTERS NOT APPEARING ON AGENDA (continued)

Supervisors at noon on Wednesday the 11th and the letter was just received at 6 p.m. last evening on the 25th.

President Wexler indicated that it was vital that the Northeastern Waterfront program continue to move ahead and also the Bayview North project. In his opinion, the Northeastern Waterfront was the most exciting development proposal the City has had an opportunity to embark upon in a long time. There is an opportunity for open space, use of the waterfront, commercial and recreational development, and other considerations. He believed it would be a tragedy to have funds deleted that would prevent the project from being pursued. He indicated he could not intelligently do anything at this time to take a position where the dollars have to come out of a particular line item in the budget, because time was needed to review that.

Ms. Blomquist indicated the money should not come out of the project budget but out of the administrative budget. She believed it was difficult to take a position since not all of the Commissioners were present. Dr. Williams responded that the Agency was being interfered with by the Mayor's Office and there should be a defense of the entire budget. He disagreed that there was a way to take money from the administration budget. The other projects also needed the money. He was concerned that projects like Western Addition A-2 and Hunters Point would not get sufficient money to complete the projects. President Wexler indicated that may be an opportunity to delete some funds from the Northeastern Waterfront and Bayview North budgets but the Commissioners could agree to review the budget to see whether it would be appropriate to remove funds from other areas.

Mr. Lee believed that the funds should not come out of these two specific areas. Mr. Hamilton indicated that elimination of projects in planning would mean the Agency was being phased out of business. President Wexler strongly objected to that being done. Mr. Hamilton indicated that the City's receiving less money from HUD was real. He indicated that he had been informed the Agency will bear the burden of the cut, and it has already gone through the budget and eliminate and identified areas where the staff could suggest three phases of cuts. The Mayor is looking for a way to resolve the differences between the money available and notwithstanding what happens with this reduction, Mr. Harvey Rose is also expected to request reductions. As a result, staff could well be forced into a situation of making cuts and then later be asked to do the same again. President Wexler asked how the Commissioners could make comments at a Wednesday meeting of the Board of Supervisors' Finance Committee without having some discussion with the other Commissioners who had left the meeting earlier. Mr. Hamilton indicated that the item would indeed be before the Board of Supervisors' Finance Committee on Wednesday. Mr. Lloyd E. Sinclair, Acting Secretary, indicated that the 1979 CD budget would probably be before the full Board of Supervisors within two weeks following the Finance Committee Meeting.

President Wexler suggested that Mr. Hamilton might write to the Mayor advising that the Commission is opposed to cuts in the Northeastern Waterfront and Bayview North projects and is reviewing the budget to see where cuts can be made.

MOTION: It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that the Executive Director write to the Mayor advising that the

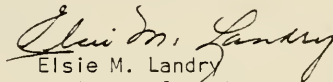
MATTERS NOT APPEARING ON AGENDA (continued)

Commission had instructed him to advise the Mayor that an analysis of the Agency's budget was being made to see what cuts can be made in the budget, and the Commission would, after reviewing staff's analysis, advise the Mayor of its decision, and, further, the Commissioners would be in opposition to any cuts for the Northeastern Waterfront and Bayview North projects.

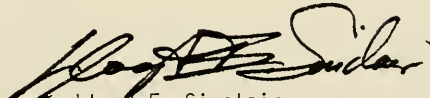
ADJOURNMENT

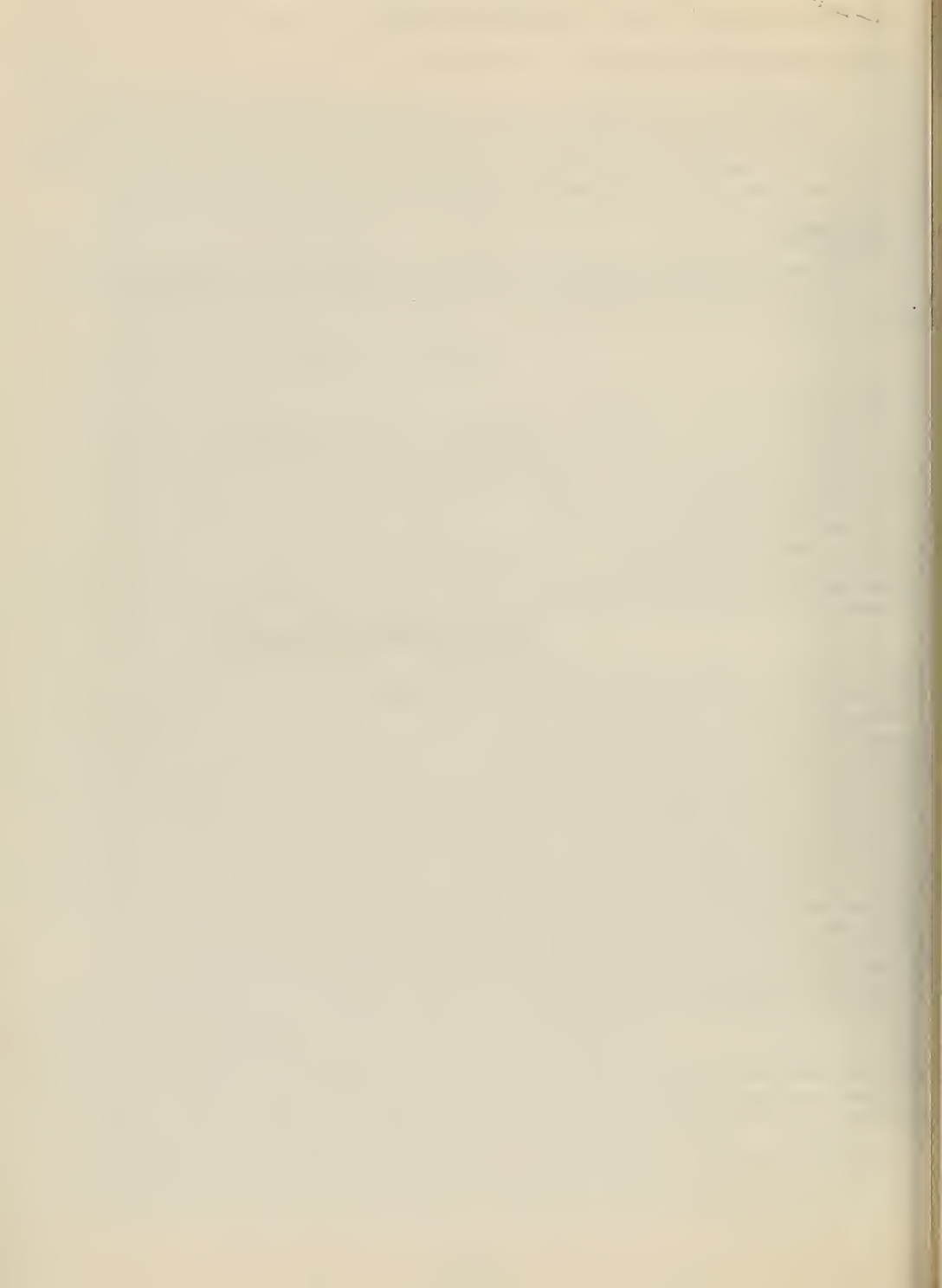
It was moved by Dr. Williams, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:05 p.m.

Respectfully submitted,

  
Elsie M. Landry  
Assistant Secretary

Edited by:

  
Lloyd E. Sinclair  
Acting Secretary





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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
3RD DAY OF OCTOBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of October 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Melvin D. Lee

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and the following were absent:

Dian Blomquist  
Rubin Glickman

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Greer M. Smith and M. Rudolph, Fillmore Urban Consultants; William Murdoch and Helen M. Erickson, Fillmore Merchants Association; Gene Coleman, Citizens Committee on Community Development; Chris Papesh, Board of Supervisors; Willa Jones, Bayview-Hunters Point Joint Housing Committee; Julie Rebagliati, UTAH/San Bruno EIMA; Nevada Rebagliati, Thelma Quail, and Louis Rebagliati, East Mission Improvement Association; and Henry Lee, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the minutes of the Regular Meeting of September 19, 1978, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A presentation of the development of the convention center and Central Blocks of Yerba Buena Center as Yerba Buena Gardens will be made by Mr. Redmond F. Kernan, Deputy Executive Director, on October 8, 1978 in connection with the Urban Land Institute annual conference being held in San Francisco. On October 9, 1978 there will be a tour of the project as part of the Agency's program for the conference.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Hamilton indicated that he would appear as a panelist on the October 5, 1978 Ron Ziskin's "A.M. Live" show on Channel 7 from 8:40 to 9:30 a.m. in connection with the Yerba Buena Center project.

NEW BUSINESS

- (a) Resolution No. 242-78 reaffirming a tuition reimbursement policy and assigning authority for approval of tuition reimbursements.

This item concerns reaffirmation of a tuition reimbursement policy and provides specific authority to the President and Commission to approve expenditures under such policy. The President may approve expenditures up to \$1,000 and the Commissioners in excess of \$1,000. One new provision of the policy would be that courses not directly job related or in the line of promotion would be eligible for a 50 percent reimbursement if they were related to the work of the Agency. This action would not amend any current union agreements.

President Wexler indicated he had requested that such a resolution be put forward to the Commissioners for consideration, because up to this time the procedure has been followed without formal action. He indicated he had no position on the \$1,000 limitation but would leave this to the decision of the Commissioners. Mr. Lee asked how many of the staff members would be taking advantage of this policy, and Mr. James Nybakken, Personnel Officer, responded that it would be available to all staff but there were ten employees in all categories, including clerical, administrative and technical currently using the program.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 243-78 ratifying and approving action of the Executive Director in soliciting bids in connection with rehabilitation of an Agency-owned structure on Lot 13, Block 744, Western Addition Approved Redevelopment Project Area A-2.

This concerns award of a contract for \$680,000 with Nico Construction for rehabilitation work on an Agency-owned property at 939 Eddy Street in the Western Addition Area A-2. Nico Construction was the low bidder of four bids submitted out of twelve who expressed interest in the contract. The contract was readvertised because the original bidders were rejected since they were unable to meet bonding requirements. After rehabilitation of the wood-frame, three-story building, there will be 36 studio apartments with kitchenette and bath. The San Francisco Housing Authority had offered to purchase this building along with one other at 951 Eddy Street at a disposition price concurred on by the Department of Housing and Urban Development (HUD). Mr. Hamilton indicated that the bid was within the estimate made by staff. President Wexler inquired what would happen to the building if the Housing Authority did not purchase it after the rehabilitation work

NEW BUSINESS (continued)

is done, and Mr. Gene Suttle, Area Director for Western Addition A-2, replied that the buildings would be advertised in an open public bid offering and come back to the Commissioners for award. President Wexler asked if this was the kind of use staff believed appropriate as that proposed by the Housing Authority, and Mr. Hamilton responded that it was.

Mr. Lee inquired about the prices of July 25, 1978 when bids were originally advertised as compared to today's prices, and Mr. William McClure, Director of Rehabilitation, responded that the low bid originally was \$616,000 but the contractor could not obtain a bond. The high bid at that time was \$770,000. Mr. Lee asked if there had been any major revisions since that time, and Mr. McClure indicated there was only one minor change.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 216-78 authorizing an amendment to the contract with the Western Addition Project Area Committee to provide funds for the employment of a supervisor to conduct the annual board of director's election.

Mr. Hamilton indicated that this concerned an amendment to the existing contract with the Western Addition Project Area Committee (WAPAC) to provide for an election supervisor for the annual WAPAC Board of Directors' election at a cost of \$7,700. Essentially, staff recognized the necessity and appropriateness of the election supervisor and creating a community event around which the election and balloting for available board seats could occur. The supervisor has the responsibility for organizing and supervising the balloting in a way that would ensure participation of all community residents. Previous experience has shown that the most successful turnouts occur when there is a variety of activities to draw the diverse interests of the community, including workshops on redevelopment issues and a festive atmosphere with music, food, and booths operated by various institutions such as the San Francisco Health Department, the School of Podiatric Medicine, and others. Representatives will be available from the League of Women Voters to offer recommendations for conducting the election but will not conduct the election itself. Ms. Berk indicated that she had a conflict of feelings because she saw this not as an expenditure for the election but as a vehicle for getting some kind of community affair going that would not occur otherwise; however, the election seems to be the focal point. She believed it was a shame that there had to be a social affair in order to get people out to vote and asked what the actual number of potential voters was. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that the election consultant firm had indicated there were about 8,000 to 10,000 eligible voters in the project area. He indicated that 750 people had voted in 1974 and 600 people had voted in 1975, but when WAPAC had run the election itself only 100 people voted. Ms. Berk indicated her concern about

NEW BUSINESS (continued)

reaching people but the election appeared to be more like a convention. Ms. Berk asked how much time the candidates had to campaign and Mr. Suttle responded it was 35 days since nominations would be cut off on the sixteenth day prior to election.

President Wexler indicated he had a copy of the August 7, 1978 letter from the election consultants to WAPAC which indicated that approximately 400 ballots were cast each year the election was conducted by the consultants. Last year there were 77 votes cast. Ms. Smith responded that last year was the year WAPAC ran the election. President Wexler referred to the second paragraph of the letter which stated that these two elections were attended by over 3,000 people which would average about 1,500 people per year. He inquired why with over 3,000 people there were only from 400 to 600 who voted. Ms. Smith responded that many people came for the convention and that the cut-off age was sixteen and many were too young to vote. She indicated that not everyone voted in any event. President Wexler asked if there were any figures available for the last two years on Hunters Point Joint Housing Committee in terms of people voting and the population from which voters were drawn. Mr. James Wilson, Area Director for Hunters Point, indicated that the voting population as far as the project area was concerned was between 5,000 and 7,000 people but the situation is different because in the Western Addition, WAPAC is the project area committee for people living within the project area, and at Hunters Point the Bayview-Hunters Point Joint Housing Committee serves as the project area committee which under its charter encompasses a much larger area than the project boundaries. President Wexler asked if the WAPAC boundaries extended outside the project area, and Mr. Arnold Townsend of WAPAC responded that they did not at this time.

Mr. Wilson indicated that anyone within the Hunters Point area was eligible to vote, so that out of approximately 23,000 people, approximately 15,000 adults could be voting, but those actively involved in project business should be about 10,000. The attendance at the 1976 election produced 150 voters and in 1977 there were 99 who voted. President Wexler asked if there was any information on the Diamond Heights population and the number of people making up the Diamond Heights Neighborhood Association, and Mr. Thomas Conrad, Chief of Planning, Housing and Programming, responded that he had spoken with the vice president of the Diamond Heights organization and learned that there were 3,000 households in the area. There are currently 300 members on their rolls who participate in neighborhood affairs. President Wexler indicated his concern that elections ought to be taken seriously and separated from the party-type of atmosphere. He indicated that by combining the election and popular event there was no way of knowing how many people were legitimately interested and participated. If there is not an election separate from a popular event then there might be more than twice the people in attendance than are eligible to vote. He believed there ought to be some way through direct mailings or community service organizations or other activities to get word out that there would be an election.



NEW BUSINESS (continued)

He indicated he would be willing to consider an expenditure of money for the kind of atmosphere to draw people out on a separate event and generate community interest in the program. Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that the memorandum was imprecise on that matter. He indicated that the election supervisor will basically (1) put together the election rules and regulations, distribute these through the community and respond to questions people may have about them, and (2) publicize the election. This may include the affair but there could be a similar expenditure just to publicize the election whether there was anything else happening. The budget would include whatever staff believed the community of WAPAC should do to make people in the community aware of the election regardless of whether there was food, or anything else provided at that time. What is necessary is an election supervisor to provide publicity about the election and communicate with community people, and to monitor what happens on election day, and staff recommends that there be an expenditure sufficient to provide for the publicity and the election itself.

President Wexler inquired why there was any need to publish flyers when the Agency had a print shop to do this type of work. The election rules and regulations are governed by the WAPAC by-laws and staff is capable of setting forth in language everyone can understand what these present rules are. He believed other information could be disseminated through television or by posting notices in community areas. Mr. Mills concurred with President Wexler, but stressed it was important that a good cross section of the community participate in this election, and more should be done than mailing flyers to the addresses. It would be necessary to do many other things, even if the print shop did the work in the Agency, and he recommended against staff putting together a pamphlet explaining the rules and regulations. He believed this should be done by an objective independent party who is responsible only for that. President Wexler asked Ms. Greer Smith of Fillmore Urban Consultants if they had supervised any other elections, and Ms. Smith responded negatively, but added that they had done other public service jobs. She indicated that in connection with publicity on television and radio, she believed the publicity was not beneficial because the announcements would come on at midnight and five a.m., and would not serve to notify the residents of the elections. President Wexler asked if there were similar efforts in the past at Hunters Point and Diamond Heights, and Mr. Mills responded that Diamond Heights was different because those residents were familiar with the process and there were never more than thirty people present at their meetings. Diamond Heights has a community organization that costs \$5 to join which can be used to send out information, and Hunters Point has people who are able to generate enthusiasm at their meetings because of controversial subjects. President Wexler indicated that the Agency has only been funding the Joint Housing Committee in Hunters Point for the past two years. Mr. Mills explained that Model Cities had funded the Joint Housing Committee before that time, but prior to that there were no regular elections.



NEW BUSINESS (continued)

Ms. Berk observed that an election was held every year, and in order to get people involved, the staff has to do the project elections to get out the vote. It was expensive to do this each year, and the resulting vote appears not to be too large. She indicated that she was aware elections were required but asked what happens between elections. She believed it to be a continuous process. Mr. Townsend indicated that one point which was not made was that when the first election was held there was a supervisor there at the request of the Department of Housing and Urban Development (HUD) and there had been no problems. He indicated that at that time WAPAC's staff was larger and conducted the part of the elections dealing with the workshops. He indicated that there were many ideas which originated in these workshops such as the concept of the Agency's rehabilitation loan program and the John Swett School community facility, and that these elections were used to explain to people what was going on with the redevelopment process. He indicated that the Western Addition community had been destroyed and had no central area, nor was there any activity on Fillmore Street; therefore, it was necessary to have an election supervisor to inform the new families who did not know the process and who were not centrally located what was occurring in the area and to convince them that they should become involved. He indicated that the festive activities had never interfered with the serious business of the elections which took place in another part of the building. His concern was that as many people as possible participate. He again stressed that WAPAC's staff had been cut from eleven to six employees just before the election in 1976 and that it was difficult for them to put an election together. He also indicated that there had been only one amendment to the by-laws because it was inconsistent that people who could vote could not run for office and that was an oversight. The by-laws had stipulated that only people who lived in the area could run. He believed that the project area committee was created for the Agency and not to have the Agency run it. He indicated that the Agency staff is an advisor and had been extremely helpful over the past years in elections, as was the San Francisco League of Women Voters. He indicated that most of the festive activities occur after the elections, and when the votes are being counted and that the workshops are separate. He also indicated that WAPAC does not purchase the refreshments because these are donated.

Ms. Shelley indicated her understanding that a supervisor was needed and the desirability of some other kind of organizing event, such as a convention activity with a festive atmosphere but she had difficulty in bringing these two events together. One is a community organization, and the other a festivity which does not relate to an election, and she asked if there was anything in the \$7,700 to tie into the conduct of the election alone or if the two events were separate and there was no community event, would the election cost as much to conduct? Mr. Townsend replied that \$7,700 was the amount needed for the election alone, and it would be illegal to do otherwise with the money. President Wexler indicated that the election was being generated around a festive event, and Mrs. Mary Rogers of WAPAC responded that a

NEW BUSINESS (continued)

different group of people were being dealt with and that WAPAC could not get ten people out to vote, or they may get them out but money will not be used for any other activity other than for the election. She indicated that the community organization prepared all the food for 600 people and received nothing from the Agency for those activities.

President Wexler indicated his concern that people would only participate in any great number in the election process of selecting the directors of WAPAC if there is a festive activity to bring them out which is like buying their vote. It would appear that once the festive activities were dropped there was little real interest because the voters turned out in small numbers. He expressed concern that the Agency was getting appropriate community input if this was the only way to get people out, and then when they did turn out that there had to be something there besides an election. Mrs. Rogers replied that there had been more participation in the past, but when people got what they wanted they left. She indicated that if the Commissioners wanted an election it could be done without money but that the people who do not vote are the individuals who raise trouble. At one WAPAC election, people protested that they were not represented and that was untrue. A supervisor had been paid and the election was presented correctly but WAPAC did not wish to have any problems. She reiterated the fact that WAPAC was responsible for getting information out but had only a small staff to do the work and less funding than previously.

President Wexler asked Ms. Smith if she were going to be involved in just the supervision of the election as opposed to the publication and generation of a turnout, and was this something she would be interested in doing. He asked what kind of time, effort, and money would be involved in supervision of the process versus the turnout. Ms. Smith responded that if only limited to supervision, she would consider the publicity to be most important and also making sure that people attend the elections and not just supervision on the day of the election. She indicated that WAPAC had wanted an independent firm to be certain there was good supervision and a large turnout of voters and that the election was run according to the by-laws. President Wexler asked if Ms. Smith would supervise the election, and she replied she would on election day and would have two to three people supervising.

Ms. Berk indicated it was not the matter of money but the way the item was being presented to the Commissioners that was troublesome. She indicated that everyone in the community needed to know their rights and what they had to do to be eligible to vote. She indicated that people needed assistance and an election supervisor but believed there was a problem in mixing elections and festive events. She failed to understand why the election process should cost \$7,700, or take two months of someone's time. The cost of personnel would be \$4,700 and \$3,000 for publicity. She indicated that according to WAPAC's by-laws an election could be held at any special meeting.

NEW BUSINESS (continued)

Ms. Smith indicated the figures were from past experience in working with WAPAC and that was the money needed to get people to vote. Mr. Townsend indicated that there had always been conventions or annual meetings for the elections and the elections have always been run openly for the past two years when there was a neutral supervisor. Mr. Townsend believed WAPAC did an adequate job of keeping up with the central office and the Western Addition A-2 Agency staff which has many more employees than WAPAC and to expect the six WAPAC employees to put on an election would be rather pressing; however, Mr. Townsend indicated this would be done, if necessary. At the last election, WAPAC's staff put up many posters and distributed leaflets but was unable to get a large turnout, but WAPAC has had less money to spend in the past two years. He calculated that less than 40 percent of the people turn out in any election, and it would be worth spending money to get them out to a professionally conducted election.

Ms. Berk asked Mr. Townsend what his goal was for voter turnout and the number of candidates who would be running, and he replied that he had been informed that two organizations alone were running fourteen people or seven apiece. He expected as many as twice that number, or thirty people, as a minimum if the election were well advertised. Ms. Berk suggested that the candidates themselves may generate their own publicity, and Mr. Townsend responded that none hold any responsibility in that regard. His idea was to get people interested before election day and generate activity beyond that day.

Mr. Benny Stewart of WAPAC indicated that it has been his experience that because of the already present apathy, it was necessary to do extra things to generate interest in the community and get people out to vote, and the way was to offer food and entertainment to people. He indicated that the workshops were not full and if interest was not there it needed to be created so there would be no criticism that everyone was inadequately represented. President Wexler indicated he was not questioning Mr. Stewart's analysis to get people out, but was concerned that although there was an appropriate vehicle to draw people out if these people only participate in an election by having such a festive event to attract them then there was a question as to the quality of votes being cast. He asked if these people really had any interest in community matters. Mr. Stewart responded that unless people were given something to draw them out, they would not come, and in his opinion they would only come for social events, because they were busy with their own activities otherwise. The primary issue was to get people out to vote so there is more community participation in WAPAC's election.

Ms. Shelley indicated that the budget represents expense involved in getting people out to vote at a convention, however, the budget is not simply aimed at an election. Mr. Stewart indicated that preparation of the election was a separate item and the consultants would deal with getting word out on



NEW BUSINESS (continued)

candidates and publicizing the election. He indicated there were any number of candidates running and WAPAC's position was that additional people could be brought out to vote if the election was publicized, but just to state that there would be an election was not enough to get people out to vote.

President Wexler asked if any Commissioner wished to move this item but none of the Commissioners made a motion. President Wexler inquired what would happen if there was no desire to approve \$7,700 for employment of an election supervisor for WAPAC's election, and Agency General Counsel Leo E. Borregard responded that what was before the Commissioners was a request for an affirmative action on the part of the Commission to authorize that amount and if no action is taken authorizing that amount, then there is no commitment and by not acting, the Commissioners leave the matter in status quo. President Wexler inquired if any Commissioner wished to make a motion approving such funds, but none of the Commissioners made a motion. President Wexler indicated there would be no amendment to the WAPAC contract to provide funds for an election supervisor.

Mr. Stewart inquired what this would mean to WAPAC, and President Wexler explained that the effect was that no action would be taken to amend the contract to provide additional funds for an election supervisor. Since there was no motion made to support the resolution, there would be no funds. Mr. Stewart indicated that WAPAC's staff would hold the election, but wanted to be prepared so that there would be no criticism. President Wexler indicated there was a desire to have significant participation in the elections but there were concerns reached about having the two kinds of activities involved in the same event. He indicated he was uncertain what role the Commissioners would play as stated in the WAPAC by-laws. Mr. Hamilton indicated that the WAPAC by-laws provide for an election but no role by the Agency, but there had been discussions in public meetings about concern on the part of staff on the lack of involvement of persons in the community at the last election. In considering past experience available to staff, the recommendation before the Commissioners today was supported. The Agency is not directly involved under the WAPAC by-laws but staff would need direction from the Commission on staff role over and above the by-law requirements. President Wexler again indicated that there was Commission concern as to the quality of the voter participation, and he had not found a satisfactory answer because by tying in a election with an event to attract people might indicate that people would not be participating in the election process in a significant way. He did not want to see funds spent to generate a turnout since many of the people would be attracted to that social event rather than to cast a vote for candidates of their choice. Mr. Hamilton suggested that workshops could be held beforehand so that people could digest the material and then an election could be held later, so there would be no problem financing the election. President Wexler indicated he saw no problem with that in principle, but indicated that he was not sure all funds requested would then be necessary. Mr. Hamilton

NEW BUSINESS (continued)

indicated that the information could be made available and then people could make their decisions at a separate election. He indicated that under the statutes the Agency has an obligation to create the maximum opportunity for more people to be apprised of issues involved in the election, and having done that, if those people are fully apprised through workshops then they have been satisfied in the process, and the Agency has done all that was required on its part.

Ms. Shelley indicated she concurred with President Wexler and could see the need and desirability of holding an event that would be a community organizing event that would provide information to people and provide entertainment. She understood this need but the idea of tying that into an election disturbed her. She indicated she would be prepared to give funds for that kind of convention, but not with funding an election where there is a party atmosphere that brings in people with no real feeling about the level of commitment or involvement. She wished to see the activities separated. Mr. Hamilton suggested the community event be held followed by the election at some other time. President Wexler indicated that the WAPAC by-laws referred to an annual convention in July, and that if the WAPAC by-laws could be acted upon in such a way

as to allow for a November date for an election, then the by-laws could also be acted upon in a similar way to allow a community event to take place and then be followed with a time interval by an election, if WAPAC's staff believes that the Commissioners' suggestions are those that WAPAC should follow. Mr. Townsend indicated it was up to WAPAC's Board to structure its own elections, but WAPAC would do the election because of experience in knowing how to run the election in the Western Addition A-2 area. He questioned if the Agency staff had the expertise to put on an election and expressed doubt that it would be successful.

Mrs. Rogers indicated that it was not her desire to split the community but she took exception to the idea of holding a convention and then two weeks later holding an election. She indicated WAPAC would fulfill its obligation in electing its members but did not have time to put on two events in one month. President Wexler agreed with Mrs. Rogers' conclusions but indicated he was responding to staff proposals on alternative scheduling and funding methods. Mr. Townsend indicated that the Commissioners were projecting their own ideas onto the community and WAPAC knew best what was good for the community. Mr. Townsend accused the Commissioners of holding a middle-class racist view, and President Wexler advised WAPAC to hold whatever kind of event it chose since all that was done today was to keep the voting procedures in Western Addition A-2 in accordance with what was done in other projects such as Hunters Point. He indicated that the contract was not to be amended. What was said today was that the Commissioners did not believe under the circumstances that it was appropriate to add additional funds to the



NEW BUSINESS (continued)

WAPAC contract for this kind of event and it was up to WAPAC to conduct its own elections. He indicated that the Commissioners had been asked for their own opinions and that was all.

- (d) Resolution No. 244-78 ratifying and approving action of the Executive Director to repair a street elevator door located in front of 77 Third Street, Yerba Buena Center Approved Redevelopment Project Area.

This concerns ratification of an expenditure of \$1,280 for repair of a street elevator at 77 Third Street in Yerba Buena Center project. Three firms were called but the Hoeck Iron Works was the only one able to respond immediately and their price was \$1,280 for the repairs, which is not unrealistic. Early correction was imperative because of the serious hazard to pedestrians.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 241-78 travel authorization for Wilbur W. Hamilton, Executive Director.

This concerns a request for travel for Mr. Hamilton to attend the National Association of Housing and Redevelopment Officials (NAHRO) National Conference in Seattle, Washington from October 6 through October 11, 1978. The program will include topics important to the Agency's programs, such as the HUD FY 1979 appropriations and authorizations, Small Business Administration, Economic Development Administration, Department of Transportation, CETA funding levels, urban policies, Section 108 loan guarantee mechanisms, and Proposition 13. Funds for the trip will be provided by NAHRO's Pacific Southwest Regional Council.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (f) Consideration of the Agency's 1979 Community Development Budget request.

Mr. Hamilton indicated that there were two separate but directly related budget matters for consideration by the Commissioners. The first was in response to Mayor George Moscone's letter of September 25, 1978, which stated the necessary reductions in the City's 1979 Block Grant should be borne by the Agency and the Bureau of Building Inspection and suggested reductions in the Agency's Northeastern Waterfront and Bayview North activities. The second matter was in response to the questionnaire from Mr. Harvey Rose, Budget Analyst for the Board of Supervisors, which was received September 28, 1978. Mr. Hamilton indicated that he had responded to the Mayor's letter indicating that the Commissioners had expressed serious concern about the suggested reductions in the Northeastern Waterfront and Bayview North

NEW BUSINESS (continued)

projects and that after reviewing the possible reductions recommended by staff, the Commissioners would act and the reductions would be transmitted to the Mayor and Office of Community Development (OCD) prior to hearings by the Board of Supervisor's Finance Committee. The hearings originally scheduled for October 11, 1978, were postponed to October 18, 1978; however, information must be provided to the OCD by Wednesday, October 4 for transmittal to the Board of Supervisors. Mr. Hamilton indicated that staff had reviewed the budget and determined that a total of approximately \$2 million, as indicated by specific priority categories, represented costs that could be deferred to 1980. Although these deferrals would result in a slowdown of the affected projects, the items could be budgeted for future budgets.

The breakdown in Category I included \$96,000 for street trees in Phase II of Hunters Point; \$200,000 for street trees in Phase III of Hunters Point; \$540,000 for street and mall work in the Fillmore Center in Western Addition A-2; and \$184,400 for property acquisition in Bayview North, for a subtotal in this category of \$1,020,400.

The breakdown for Category 2 included \$72,000 for Harbor Road, Phase II, Hunters Point; \$48,000 for Hare Street, Hunters Point; and \$132,000 for DD-2, Hunters Point, for a subtotal in this category of \$252,000.

The breakdown for Category 3 included \$684,000 for the public plaza in Yerba Buena Center. The grand total for all three categories amounted to \$1,945,400. Mr. Hamilton recalled for the Commissioners that the Mayor's letter had indicated that the City's 1979 Community Development Block Grant was reduced from \$27,322,000 to \$25,899,000, representing a total reduction of \$1.4 million. The Agency was advised that the Bureau of Building Inspection had reduced its budget by approximately \$425,000, which left a balance of \$975,000 that may have to come from the Agency's budget.

Staff recommends that the Commissioners consider meeting this reduction by deferring Category I items for a total reduction of \$1,020,400. Mr. Hamilton indicated that Mr. Rose has requested the Agency to show reductions of 15 percent and additions of 15 percent in the Agency's budget of approximately \$13.9 million, therefore, the 15 percent would be approximately \$2.1 million. In response to Mr. Rose's requested reduction of 15 percent, staff has recommended submittal of items shown in all three categories for a total reduction of approximately \$2 million.

In connection with Mr. Rose's request for a 15 percent increase, staff recommends that Category I include \$461,000 for loan repayment for Hunters Point. For Category 2, \$300,000 is recommended for rehabilitation loan backup funds and \$350,000 for inhouse rehabilitation, both in Western Addition A-2, for a subtotal of \$650,000.

NEW BUSINESS (continued)

For Category 3, \$100,000 is suggested for moving of Victorian houses in Western Addition A-2. For Category 4, \$50,000 for legal costs and \$50,000 for property disposition, both in Hunters Point, was recommended for a sub-total of \$100,000, or a grand total of all four categories of \$1,311,000. This 1.3 million is less than the 15 percent requested by Mr. Rose but staff believes it cannot responsibly request more for the budget year.

President Wexler inquired if any of the first three categories included any decrease within them for staff or did they only include decreases in the amount the Agency pays to consultants or other outside contractors who do the work and supply materials. Mr. Hamilton responded that it was not anticipated that reductions in staff or administrative charges would be involved, but only those charges concerning consultants. President Wexler inquired if Categories 1 through 3 were cut back would this not free up staff time. Mr. Hamilton responded that it may mean slight reductions in some engineering work related to the Fillmore Center, but that the engineering staff would still be needed to cover full responsibility for other site improvement work still in the budget. Mr. Hamilton asked Mr. Kernan if the Category 3 deferred for the Yerba Buena Center Plaza would affect our request for two to three new engineers. Mr. Redmond Kernan, Deputy Executive Director, indicated it could, but it was difficult to estimate adjustments to the administrative budget now, but there was a possibility a new engineering position would not be needed. President Wexler indicated that if there were some positions that had to be cut, then this would provide additional money for the budget. Mr. Kernan indicated that an engineer may have to be transferred from Hunters Point to Yerba Buena Center but it was difficult to adjust the budget for that cost at this time, and he would not recommend making this adjustment.

President Wexler indicated that if there were staff positions that would have to be cut, the Agency would have to let staff go or put them on a part-time basis. That this might represent additional money that could be added to the reduction, Mr. Hamilton indicated that the effect would not be significant; for example, the reduction of \$184,000 in the Bayview North budget for acquisition of real estate would represent only one property, and this is only one very small portion of a real estate person's workload. It becomes more significant when one looks at the larger items of the Yerba Buena Center Plaza and Fillmore Center, as that could affect, in part, an engineering position in Yerba Buena Center. At this time, it would be difficult to predict a position would be eliminated.

President Wexler indicated that if cuts are made in the OCD budget, it is important to know the breakdown between administrative and project activity costs to insure the success of project activities which, in turn, depend on having staff to administer them. He asked if there was other money available. Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, responded that the total categorical and CD funds anticipated for the

NEW BUSINESS (continued)

coming year will be approximately \$20 million. The Yerba Buena Center administrative costs are in the categorical budget and not in the Community Development budget. There is about \$5.8 million in categorical funds available as part of the \$20 million. In addition to the \$20 million, the Agency still administers large contracts, for example in Hunters Point, from previous years' budgets so the staffing level is needed to provide for this work. President Wexler inquired if out of the \$20 million there would be some \$6 to \$7 million in administrative costs, and she responded affirmatively, indicating that the total was \$6.8 million. President Wexler commented that what was being looked at was a possible reduction of \$2 million and he would anticipate that if the non-administrative area was cut by 15 percent, there would be a significant impact upon the staff. Mr. Hamilton indicated that there may be a measurable effect but staff time will be allocated and charged to expenditures not reflected in this budget, including categorical funds. The two areas he could see for adjustment would be the engineers working in Yerba Buena Center and Western Addition A-2, and if all the cuts in the three categories are made, some adjustments in staff could be anticipated. Also, the Agency may spend administrative money below the budgeted amount and there are still some positions that are not filled. President Wexler asked if the administrative money not spent was carried forward, and Mrs. Hale replied affirmatively. She indicated that the Yerba Buena Center administrative budget is from categorical funds and that the reduction for the Yerba Buena Center Plaza would not affect the Community Development administrative budget.

Mr. Lee referred to Categories 1, 2, and 3 and inquired if the Agency had its own inspectors. Mr. Kernan responded that the Agency did not make the building inspections but used inspectors under work orders from the City and did the work by supplementing Agency inspectors with City staff. This is because the work must be done in accordance with the City's Department of Public Works standards and the Agency administers the contract. Mr. Lee asked if these work orders were included in these particular categories, and Mr. Kernan responded affirmatively. Occasionally the costs for support services of soils engineers and surveying services are budgeted separately and there also is design money for the Fillmore Center. Mr. Hamilton indicated that there are no increases nor decreases shown in Categories 1 through 3 for administrative cuts, and if the Agency got \$1.3 million, the workload would be absorbed. President Wexler indicated that the question we have to deal with is that which the Finance Committee will address. Ms. Berk asked about the effect of Category I relative to the Fillmore Center. Mr. Kernan explained that money was set aside for Phase I of the mall and street reconstruction work, which included street trees and that this amount was for the second and final phase. It is an estimate of what may be done. The work in the Fillmore Center would allow for sidewalks and a mall on the side streets and the funds are budgeted with the idea of being able to do the work. The development of the Fillmore Center has not proceeded as rapidly as hoped and the street improvement activity may lag so that actual costs would not occur as soon as anticipated.



NEW BUSINESS (continued)

President Wexler inquired if, given the present time table and if the money were to become available, when would the Agency have the opportunity to spend it. He asked if there were an estimate as to when the Fillmore Center would proceed. Mr. Kernan responded that it would be better to have some major construction begin in terms of buildings. The urban design phase needed to be completed first.

Mr. Kernan believed that then it would be desirable to be in a position to put in the street improvements and have people build up to it, but he also believed this was less likely. In any event, the money would have to be committed in advance. If the Agency wanted to do this work earlier to attract potential developers, then it would be wise to do it earlier, but in any case it would be prudent to have the funds so that the developer could be guaranteed the work would be done. Mr. Hamilton indicated that developers were aware of the budgetary process, and that under the Urban Development Action Grant (UDAG) program, the Agency would have financed the improvements. President Wexler indicated that most of these funds came from the Hunters Point project or Western Addition A-2 and he inquired if staff had had any input from the project area committees.

Mr. Gene Suttle, Area Director for Western Addition Area A-2, came forward and indicated that the Western Addition Project Area Committee (WAPAC) did consider how the Agency could cut the Western Addition A-2 budget. It was discussed at a general board meeting on Thursday, September 28, 1978, and that discussion was confirmed by a letter to WAPAC of October 2, 1978. WAPAC does not wish any cut in the Western Addition A-2 budget; however, in response to the request for cuts, the following reductions were discussed: (1) the traffic signals at five intersections, \$235,000; and (2) the street reconstruction and mall installation for Fillmore Center, \$540,000. In response to the Harvey Rose request of what could be done with a 15 percent increase, the following were discussed with WAPAC: (1) an additional \$300,000 for rehabilitation loan backup funds; (2) \$100,000 for building moves; and (3) \$350,000 for in-house rehabilitation.

President Wexler indicated it was not the Agency's desire to cut but people wanted to know if WAPAC had agreed or disagreed with the selection for cuts if they had to be made.

At this time, Ms. Berk left the meeting at 6:40 p.m.

Mrs. Mary Rogers of WAPAC came forward and indicated that a 15 percent cut should not be taken from WAPAC, but if there was to be a cut, then she did agree it could be done in the Fillmore Center.

Mr. James Wilson, Area Director for Hunters Point and India Basin, came for-



NEW BUSINESS (continued)

ward and indicated he had received the request for budget reductions after the Bayview-Hunters Point Joint Housing Committee had already held its meeting and he did not anticipate any objections because the Committee was well aware of the program and the cuts did not affect activities that would seriously impede the project. He referred to the DD-2 item in Category 2 and indicated that this site had been set aside for the expansion of the Jeddiah Smith School and that since the passage of Proposition 13, the future of that site for the school had to be determined and staff are now awaiting the school department's determination. If it is not to be used for a school, consideration would be given to market rate housing.

At this time, Ms. Berk returned to the meeting at 6:45 p.m.

President Wexler asked if Mr. Hamilton had spoken to Mayor Moscone regarding these items, and he responded negatively, indicating he had been told that the Mayor would take the matter up at some other time. President Wexler asked if the Mayor's Office would be supportive of the Agency's recommended deferrals and Mr. Hamilton responded that he hoped so because it would be difficult if the Mayor was not. President Wexler asked what Mr. Hamilton needed at this time, and he responded he believed there would need to be a motion approving the modifications made to the original budget.

MOTION: It was moved by Mr. Lee, seconded by Ms. Berk and unanimously carried that modifications made to the Agency's 1979 Community Development Budget relating to Categories 1, 2, and 3 as recommended by staff, be approved in response to both the Mayor's requests and the Board of Supervisors Budget Analyst requests.

Mr. Hamilton indicated that he hoped that the Mayor and the Budget Analyst would act on these deferrals as recommended by the Agency staff and approved by the Commissioners. However, if modifications are required, it may become necessary to react quickly to such modifications prior to the next Agency meeting on October 17, and he suggested that the Commissioners consider delegating to the President and Vice President the authority to act on instant responses for minor modifications. The staff would need to be able to reach the Commissioners for their authorization should there be greater reductions or changes in the reductions. If these should run counter to Commission policy, then the staff would not act. Mr. Hamilton indicated he would like to be able to determine quickly the Commissioners' direction.

In response to President Wexler's question on procedure, Agency General Counsel Leo E. Borregard indicated that a motion would be appropriate to confirm the delegation.

MOTION: It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that in the event some decision has to be arrived at that the President and Vice President be directed to make budget changes as required for the Commission.

NEW BUSINESS (continued)

Mr. Borregard indicated that if the President and Vice President consulted with the staff relative to making a decision, staff could be authorized to make the appropriate adjustments after such consultation and this would be implicit in the motion.

MATTERS NOT APPEARING ON AGENDA

- (a) Authorization to move 1759 Sutter St., Western Addition Area A-2.

Mr. Hamilton indicated that in order to clear a parcel at 1759 Sutter Street for development of the Nichi Bei Kai Cultural Center which the Commissioners approved on September 26, 1978 by Resolution No. 236-78 it will be necessary to move the Victorian building now situated on the site to another lot at 1980 Ellis Street as soon as possible. This move is necessitated by commitment of the Cultural Center to their financial backers in Japan to show firm evidence of physical progress of site clearance by early October or else the funding of \$120,000 will be lost. There had been earlier discussions conducted on eight buildings to be moved to new sites within Western Addition A-2 and of the need to move 1759 Sutter at the earliest possible time. Bid packages for the move have been prepared for this move and formal advertising was published. Six Bay Area contractors were mailed notices and also telephoned to solicit their interest in bidding but to date only one package has been picked up. The bid opening is scheduled for 2 p.m. on October 6, 1978 but because of a tight schedule and the fact that there may not be a meeting on October 10, 1978 it is proposed that staff be allowed to award the contract if it is within 15 percent of the engineer's estimate in order to move the building forward quickly. The building must be moved by October 18, 1978. President Wexler indicated that action would have to be taken today because some of the Commissioners would be unavailable for the Agency meeting on October 10th and it looked unlikely that a quorum would be obtained.

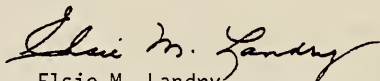
Ms. Berk asked why this was an off agenda item and Mr. Hamilton indicated that generally staff attempted to avoid off-agenda items if there is great public interest but since there is a distinct possibility of there not being an October 10 meeting action was necessary on this item now. Mr. Lee indicated that in light of the time schedule and staff estimate he saw no problem with action today. Mr. Suttle indicated that two firms had picked up bid packages but they may not both bid.

MOTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that staff be authorized to award the contract for moving the building at 1759 Sutter Street to 1980 Ellis Street in the Western Addition Area A-2 project, provided that the bid is the low bid within 15 percent of staff engineer's estimate.

ADJOURNMENT

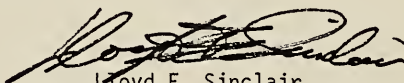
It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 7 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Elsie M. Landry".

Elsie M. Landry  
Assistant Secretary

Edited by:

A handwritten signature in cursive script, appearing to read "Lloyd E. Sinclair".

Lloyd E. Sinclair  
Acting Secretary

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
17TH DAY OF OCTOBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 17th day of October 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk (joined the meeting at 4:35 p.m.)  
Dian Blomquist  
Melvin D. Lee

and the following was absent:

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Rubin Glickman

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Wade Woods, Fillmore Economic Development Corporation; M. Wong, T/W Associates; Roger Olmsted and Nancy Olmsted, Resource Consultants; Robert L. Sockolov, Rochester Big and Tall Clothing Store; Mario J. Ciampi, Architect; Reverend Booker T. Anderson, Jones Memorial Church; Robb Prince, San Francisco Coalition; Richard Gryziec, Yerba Buena Gardens; Stanley Herzstein, Terminix of Northern California; and Thomas Feeny, Economic Research Associates.

Representing the press was Jerry Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A request was received from Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC), dated October 11, 1978, requesting the line item transfer of funds in the existing WAPAC contract to permit financing of convention activities in connection with the annual election by using money already approved in that budget. Mr. Hamilton indicated that he had advised Mr. Townsend that because these activities were outside the scope of services as approved by the Commissioners he did not have authority to authorize such activities and he would have to bring the matter before them for their consideration. Mr. Hamilton indicated that since the matter was beyond his authority to approve, it was now being brought to the attention of the Commissioners with a note that the original request for funds to finance the convention activities was supported by staff. WAPAC is requesting that no additional money be granted but this would mean that certain other activities authorized would not occur. Mr. Hamilton asked for direction from the Commissioners.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Ms. Blomquist inquired of Mrs. Mary Rogers of WAPAC why she believed this much money was necessary to turn out voters, and Mrs. Rogers responded that it was necessary because in the past the only way WAPAC could get out a large number of voters was to have a convention and workshop which required the hiring of an election supervisor to put out information and flyers to attract participants. Ms. Blomquist commented that as a community activist, she could turn out many more people in her community than WAPAC had and wondered why this was a different situation for WAPAC. Mrs. Rogers responded that there were people who would turn out and others who would not and that there were other activities than just voting which should occur during the day. She indicated that WAPAC received direction from the community in planning these activities. Mrs. Rogers indicated that the Commissioners had questioned the participation of people in Western Addition A-2 election and expressed concern that if the election were held and it did not turn out the Commissioners would still be displeased. She claimed that she did not have the time to devote to the election nor the time to organize people in the community to get out and vote. Ms. Blomquist asked about the WAPAC staff time, and Mrs. Rogers replied that they had other work to do and that the staff had been cut back during the past three to four years.

Mr. Lee inquired what the discrepancy represented from the previous memorandum which stated \$7,700 while the WAPAC letter referred to a cost of \$8,800 for hiring of the consultants. Mr. Arnold Townsend of WAPAC came forward and responded that WAPAC thought that \$7,700 was not sufficient to do an adequate job and that \$8,800 was a more realistic figure. He indicated that as far back as 1975 the election supervisor at that time had been paid \$7,500 and it would be difficult today to expect anyone to work for only a \$200 increase in three years. He also indicated that more money was needed for advertising but the whole situation was made more difficult if the Commissioners did not approve it.

At this point, Ms. Berk joined the meeting at 4:35 p.m.

President Wexler inquired if any of the Commissioners wished to make a motion to change last week's vote and make the line item transfer of \$8,800 to fund the election activities. There were no motions.

RULE OF THE CHAIR: President Wexler indicated that the policy and position of the Commissioners remained the same.

Mr. Townsend suggested that the Commissioners read the contract between the Agency and WAPAC, particularly with respect to Section D, paragraph 9, which calls for arbitration when there is a disagreement concerning expenditure of funds. Under the arbitration procedure WAPAC would designate one person and the Agency would also do the same and after seven days those individuals would designate a third individual. After another seven days that third person would reach a decision on the matter. Mr. Townsend indicated that WAPAC would contact its attorney because he believed that the Commissioners were treading on dangerous ground. President Wexler asked Agency General Counsel Leo E. Borregard if there was such provision in the contract regarding these funds which have not been allocated in the budget for the election item. Mr. Hamilton indicated he was uncertain how that provision would apply and that Mr. Borregard would have to review the contract and advise the Commissioners.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

Ms. Blomquist inquired why if the money was considered to be so important for holding an election that it was not included in the current budget, and Mr. Townsend responded that he had not included it because an additional appropriation of money was requested in the past; however, he would be certain to include the item in next year's budget.

- (b) Mr. Hamilton indicated that there appeared to be a matter of conflict regarding the proposed budget cuts between the Agency's 1979 Community Development Budget and proposals from the Office of the Mayor and Mr. Harvey Rose, Budget Analyst, for the Board of Supervisors. Mr. Hamilton reported that he had met with Mayor Moscone last Friday, October 13, 1978, to discuss his proposed cuts in the Agency's budget and the Mayor recommended only one cut which was the deletion of the Bayview North budget of \$815,740. This reduction replaces \$1,020,400 that the Agency had proposed be deferred.

Mr. Hamilton noted that a staff member of the Bureau of Budget had called with information indicating the proposed cuts it recommended but these may be changed after review by Mr. Rose. The Bureau of Budget staff is proposing the following cuts: (1) deletion of all salary increases starting July 1, 1979; (2) a cut of 10 percent in staff and fringes totaling \$354,000 which would be satisfied if the Bayview North Project is deleted; (3) reduction in rental rate at the central office from 81.6 cents per square foot per month to 50 cents per square foot per month by relocating staff into a surplus school building, which is claimed to be available sufficient to the Agency's needs in the Civic Center area; (4) deletion of two automobiles budgeted to replace older vehicles; and (5) deletion of all contract costs for the Western Addition Project Area Committee.

Mr. Hamilton expressed some doubt as to the efficacy of the deletions. He indicated that in his judgment the program which was approved in 1975 authorized and directed staff to undertake planning and survey activities in the Bayview North area and also in the added industrial and commercial area. That has been done and that community expects that the program would be implemented. The Office of Community Development (OCD) deals with citywide priorities and the Agency is not in a position to determine that community's needs as opposed to the needs of other communities in the city; however, the Agency does have an obligation to those people with whom it has worked over the past three years.

Mr. Hamilton indicated he would respond to Mr. Rose before the Finance Committee but the Agency could not determine citywide priorities but should continue with work already done.

Ms. Blomquist asked what Mr. Hamilton's comments were on other items. Mr. Hamilton responded that with reference to the deletion of the salary increases, the Agency is consistent with whatever the City's policy is and will be guided correspondingly. He noted, however, that the City should be advised of the latest court decisions on salaries in order to protect itself against the eventuality of a court order that it pay those increases retroactively. He believed it would be fiscally irresponsible not to have funds available should that situation develop. Mr. Rose has proposed that the salary increase funds should be placed in the 1979 CD general contingency budget rather than our Agency's budget, but Mr. Hamilton believed this to be inappropriate.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Hamilton indicated that with reference to Mr. Rose's proposal to cut staff and fringe benefits by 10 percent, staff is opposed to this cut. If the Board of Supervisors cuts the total Bayview North program including administrative funds, this action would somewhat reduce the total administrative budget. In that case, however, the administrative cut would be primarily related to reductions of staff activities on the work program for Bayview North and the total staff level would not be substantially reduced.

With respect to the rental rate at the central office, Mr. Hamilton indicated that the Agency had been involved in negotiations with the Bay Area Pollution Control Board (BAPCD) for a lease extension of the 939 Ellis Street building where the Agency has another year under the terms of the present lease at 45 cents per square foot per month. What is being considered is a six year lease and BAPCB has responded that it would consider only 81.6 cents per square foot per month, which would include parking space. Mr. Hamilton indicated that staff is now looking into the question of the availability of space in the Civic Center Area which Mr. Rose believed existed. Mr. Hamilton indicated that he had spoken with Mr. Wallace Wortman, Director of Property for the City's Department of Real Estate, who indicated that he had only done a cursory review. As of this time it is staff's conclusion that there is nothing available to meet our needs in the area for 50 cents and much of the space far exceeded that amount. Mr. Hamilton believed there would be problems with considering surplus schools as a relocation resource because of the cost of making the new space usable and the cost of moving office equipment, including the switchboard, computer, and other heavy equipment. He believed that the Agency was not in a position to respond or to evaluate school space until a specific location was proposed.

President Wexler inquired if Mr. Hamilton had factored in the cost of other necessary items such as air conditioning and also if Mr. Hamilton had any idea when further information would be available on a survey of space. Mr. Hamilton responded all capital costs would be included and that further information would depend upon what happened at the Finance Committee hearing tomorrow. Should Mr. Rose's budget suggestions be followed and should the Finance Committee approve them, then these will go before the full Board of Supervisors as a recommendation and presumably the Board would ask the Agency to look at specific sites so that an evaluation would be available.

Acting Secretary Lloyd E. Sinclair indicated that if the Finance Committee concluded its hearing this week, then the action would go to the full Board the following Monday. However, there could be a delay of two weeks before the matter goes to the full Board, depending upon when the Finance Committee acts. President Wexler asked if the current lease on this building now runs one year from December 1978 at a cost of 45 cents per square foot, perhaps there may not be a need to move to other higher priced locations. Mr. Hamilton indicated that one of the conditions of the current lease was to renegotiate the new rental in advance.

Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that the new lease if executed would be effective as of January 1, 1979, for a six-year term. The BAPCB has indicated that it wished to renegotiate the lease now. President Wexler asked if the Agency still had the right to remain in the building, and Mrs. Hale responded that the Agency would remain

REPORT OF THE EXECUTIVE DIRECTOR (continued)

but had to decide at least six months prior to January 1, 1980, in order to arrange for a place to move and because the BAPCB desired to negotiate with someone else if the Agency did not renew the lease.

President Wexler believed that the item regarding salary increases was important and there was good reason to believe that the City and State employees would not be asked to take an across-the-board freeze in salaries for another year. He believed it was important that this money be in the budget for potential increases, because when City wages go up in 1979 it would only be equitable to raise the salaries of Agency staff correspondingly. He indicated that the Commissioners would not wish to have the matter otherwise.

Mr. Hamilton indicated that in regard to the deletion of the two Agency automobiles the question was one of more cost effective management because maintenance costs are so expensive that replacing them with new vehicles was the only possible solution in keeping costs down.

In connection with the suggested deletion of all contract costs for WAPAC, Mr. Hamilton indicated that Mr. Rose had made this recommendation before and it was Mr. Hamilton's belief that Mr. Rose did not fully understand the nature of the community conditions in Western Addition A-2. He indicated he would oppose that deletion.

Ms. Blomquist wished to congratulate Mr. Rose on his proposals regarding the use of a surplus school building and also deletion of the automobiles because if there were a surplus school building she believed the Agency should look into that possibility of a relocation source. President Wexler indicated his disagreement with Ms. Blomquist's comments because he believed that in the case of the automobiles it may not cost less to maintain old cars than it would to purchase new vehicles. He also disagreed on the selection of a school building because the move would be expensive and he believed very little money could be saved by that choice.

Mr. Lee asked what age the automobiles were, and Ms. Hale responded that they were 1968 and 1969 models in very poor condition and that they would have to be sent to the diagnostic auto center to determine precisely their condition. If the Agency does not purchase two new cars, it would mean that the effectiveness of staff using them would be reduced and in some cases there would be no means of transportation at all.

Mr. Lee inquired about the deletion of funds for WAPAC and asked if this meant the entire budget was involved, and Mr. Hamilton responded affirmatively. He indicated that cuts had not been discussed with WAPAC. Mr. Rose had recommended that the status of WAPAC's activities in the community was that the community no longer needed community staff representation. Mr. Hamilton noted that this indicated there was no understanding of the nature of that program or the dynamics of the community on the part of Mr. Rose. Mr. Hamilton indicated he was opposed to the deletion.

Ms. Shelley asked if the Commissioners should authorize the position as outlined by Mr. Hamilton on each of the budget items as a whole or if they should consider them separately. Ms. Blomquist indicated that she had some objections and would vote for some and against others. President Wexler indicated that the first item would be deletion of all salary increases and the motion would be not to delete this item.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee that salary increases not be deleted, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler indicated that on the 10 percent cut in staff and fringe benefits as recommended by Mr. Rose, it was staff's opinion that the Commission should oppose this cut. Also, that the Commission should reaffirm its position to not delete the Bayview North project budget as recommended by OCD. But, in the event that the Board of Supervisors approved OCD's recommendation to delete the Bayview North project budget and to cut the total administrative budget by 10 percent, the administrative portion of that Bayview North project budget should be applied as a credit against any cut in the Agency's total administrative budget. This would prevent reductions in the Agency's total administrative budget exceeding the 10 percent recommended by Mr. Rose.

MOTION: It was moved by Ms. Shelley and seconded by Ms. Berk that if Bayview North is to be deleted in its entirety that the 10 percent cuts in staff and fringes be counted against that deletion and that the position of the Commissioners in opposing both these cuts remain the same, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Lee  
Mr. Wexler

and the following vote "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler indicated that the third item concerned the rent for the central office which Mr. Rose has recommended be reduced to 50 cents per



REPORT OF THE EXECUTIVE DIRECTOR (continued)

square foot per month. He indicated that the Agency would be willing to search out space suggested as being available in the Civic Center area at that price and other than that the Commission would take no position.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee that the Agency staff survey for available space in the Civic Center area at 50 cents per square foot per month and that other than that the Commissioners take no position, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler indicated that the fourth item regarding the purchase of two new automobiles not be deleted because effective management and cost effectiveness indicated that retention of old vehicles would be difficult and raise maintenance costs inordinantly.

MOTION: It was moved by Mr. Lee and seconded by Ms. Shelley that the budget item to delete the purchase of two new automobiles to replace older vehicles be opposed, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler indicated that the last item recommended by Mr. Rose concerned a recommendation that all contract costs for WAPAC be deleted. President Wexler indicated that the position of staff was that there was still a need at this particular stage for adequate community representation which was filled by WAPAC.



REPORT OF THE EXECUTIVE DIRECTOR (continued)

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee that there be no deletion of contract costs for the Western Addition Project Area Committee, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Ms. Blomquist  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

Mr. Hamilton inquired if the Commissioners' position respecting Bayview North remained as it was when the item was submitted to the Mayor's Office which was that the budget should be funded, and President Wexler responded that the Commissioners had supported Mr. Hamilton's position as outlined because they were not in a position to judge on the priorities of other funding needs in the city because the Commissioners had not reviewed these. President Wexler indicated that there was a need in Bayview North and he believed it could be met and carried forward, and the Commissioners would support Mr. Hamilton's position over the position of OCD to delete Bayview North. It would be difficult to argue otherwise until the entire picture was known concerning other areas.

UNFINISHED BUSINESS

- (a) Resolution No. 240-78 authorizing the Executive Director to negotiate a contract with Roger and Nancy Olmsted for an archival study for the balance of the Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item concerned a contract for an archival study to be performed by Roger and Nancy Olmsted for the Yerba Buena Center project. The study would determine potential historical, archaeological, and cultural resources and is a requirement of the Department of Housing and Urban Development (HUD). The consultants prepared the archival study for the Central Blocks and are well qualified to perform these services for the balance of the project area.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS

- (a) Request for further consideration of Agency's 1979 Community Development Budget.

NEW BUSINESS (continued)

President Wexler indicated a request had been received from Ms. Blomquist that the Commission reconsider the Commission's actions taken on the 1979 Community Development Budget at the October 3, 1978, meeting in response to Mayor George Moscone's and Mr. Harvey Rose's communications. Ms. Blomquist inquired that since the Bayview North project budget was suggested by the Mayor to be cut, would it not be better to cut Bayview North out of the budget since that would mean the Fillmore Center and WAPAC budget items could remain. President Wexler responded that such an action would be based on predetermining the judgment of the Mayor and the Board of Supervisors as to whether the money could be put back into these items. Ms. Blomquist indicated she was absent when the budget cuts were discussed and that she believed there were significant opportunities for cuts in administrative expenditures which now consume almost one-half of the Agency's total allocation from Community Development funds. She indicated that the Agency's project responsibilities have been shrinking in past years but there has been no corresponding drop in administrative costs. She also believed the reductions proposed by staff only delayed redevelopment of areas disrupted by redevelopment and perpetuated the Agency itself. Ms. Blomquist indicated she had arrived at the \$945,000 reduction requested by the Mayor without sacrificing the projects and that she had ascertained from the Office of Community Development (OCD) that the matter could be delayed further.

As a part of her reductions, Ms. Blomquist suggested that the Agency could save \$267,751 by using either a private or social security system for retirement. The following items were also suggested by Ms. Blomquist for deletion: \$150,000 for a financial and compliance audit required to satisfy State law; \$42,000 for stenographic, clerical and other temporary services; \$10,000 for staff training; \$16,000 for the Bayview North office plus overhead; \$10,000 for two automobiles; \$3,000 for the print shop equipment; \$31,200 for photography for printing at \$2,600 per month; \$6,000 for photography and renderings; \$87,775 for print shop and graphics positions; \$17,555 for 20 percent of benefits; \$51,922 for microfilm; \$10,384 for 20 percent benefits; \$20,000 for Western Addition A-2 legal costs; \$75,000 for Hunters Point legal costs; \$47,000 for San Francisco Coalition; and \$72,000 for office supplies, for a total of \$964,000.

Ms. Blomquist inquired if, since Diamond Heights was closed out, there was a possibility of using the \$1,400,000 of that project's remaining budget money. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, explained that this amount was only loan authority for eligible expenditures. Since there were no more needed expenditures, the money was not borrowed, did not have to be paid back, and therefore it no longer exists. If the money is not spent it would mean that the proceeds from land will go to the pay-off of the Golden Gateway project.

President Wexler inquired of Ms. Blomquist if she were asking the Commissioners to take any action, and she replied that they had voted and she had not had sufficient information and merely wished to note her opposition for the record. President Wexler asked Ms. Blomquist how she would envision the Agency not paying any retirement benefits, and she replied the Agency would pay but would not do so by both private retirement benefits and social security. She indicated that Board of Supervisors' President, Dianne Feinstein,

NEW BUSINESS (continued)

was considering taking the social security out of the City's budget and there would be either one plan or the other but not both. President Wexler indicated that if the Agency's policies were comparable to those of the City, then it would be appropriate to reflect what the City did. President Wexler indicated that many of the Commissioners would like to see pay increases go to members of the staff but this could not be done because of the City's inaction. He indicated that the Commissioners should be out looking for benefits. He inquired where Ms. Blomquist obtained the figures that led her to believe the Agency could substantially reduce its legal costs in Western Addition Area A-2 down to \$20,000 to adequately handle the caseload. Ms. Blomquist explained that there were a lot of cases that insurance companies handled and she also pointed out that there was a large Agency legal staff. Ms. Blomquist indicated that there was one large legal matter outstanding and \$400,000 would be adequate to take care of that case. President Wexler pointed out that in his experience litigation was an extremely expensive mechanism and the Agency's legal staff was set up to handle on-going business of the Agency but did not have the kind of personnel to handle on-going litigation and any major litigation required the full time of two attorneys. He indicated it would be impossible to reach conclusions or to acquiesce on her variety of suggestions unless all facts were studied since these issues took careful analysis and review. Ms. Blomquist indicated she had had several years of doing similar work and had spoken with many persons about this and she was correct in her figures.

Mrs. Hale indicated that the audit which is required by the State of California provides for a fiscal and financial compliance audit and HUD used to do this but now it has to be in the Agency's budget. President Wexler indicated that individual items could be discussed but he did not want to leave the impression that there were large areas of over-budgeting because the budget has been reviewed carefully and the money budgeted was appropriate. Ms. Blomquist indicated her disagreement with that conclusion. President Wexler suggested that she make a motion to debate the facts rather than make a generalized statement.

Ms. Shelley indicated she would like to make a statement on the question of the administrative budget versus the program or project budget. She indicated that it was understandable that the Agency would have a large administrative budget because this was most appropriate to the nature of the Agency's activities. She believed that when it came to carrying out the projects, most of the expenses involved were borne by the private developers who carried out the projects but the Agency's role was to put the activities together so the projects may be carried out. She was not disturbed because these items were necessary service functions performed by the Agency and that high administrative costs were necessary. She did not find the administrative costs in any way disturbing. President Wexler concurred with Ms. Shelley's comments. He noted that the Mercantile Building renovation was an example where the Agency spends time for relocation and administration of a rehabilitation program costing over one million dollars in private funds but the Agency's activity budgets do not reflect this private investment.

- (b) Resolution No. 245-78 authorizing the Executive Director to negotiate a professional services contract with Thomas Schulster, architect, in connection with maintaining the Rochester Clothing Company in the Mercantile Building while rehabilitation activities are performed by the redeveloper, Yerba Buena Center Approved Redevelopment Project Area.



NEW BUSINESS (continued)

- (c) Resolution No. 246-78 authorizing the Executive Director to enter into a contract with Pearson and Johnson Contractors Engineering, Inc., to perform general construction work at 676-678 Mission Street in connection with the temporary move of Rochester Clothing Company's shipping and receiving operations, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider both these items together.

The first item concerns negotiation of a contract with Mr. Thomas Schulster, architect, in connection with review of the redeveloper's bids and identification of where cost overrides chargeable to the Agency may arise as a result of accommodating the Rochester Clothing Store, the monitoring and keeping of detailed records of the physical work, and making recommendations to the Agency on legitimate Rochester relocation expenses. The cost of Mr. Schulster's services is estimated at \$8,000, or \$50 per hour, for approximately 160 hours of work. Mr. Hamilton requested Mr. Earl Mills, Deputy Executive Director for Community Services, to comment further. Mr. Mills indicated that staff was requesting the Commissioners take two actions to allow the T/W Associates to begin immediately with the rehabilitation work at 676-678 Mission Street where the Rochester Clothing Company will be a temporary tenant. Rochester Clothing Company has chosen to enter into a lease agreement with T/W Associates for the mercantile building at 700 Mission Street to become their permanent relocation resource, which means that the Agency will be displacing them and has the responsibility to accommodate them during the period when the building is being rehabilitated. Over the past months staff has been evaluating and investigating various alternatives for accommodating the Rochester Clothing Store. One option was moving their total operation temporarily to a vacant Agency-owned building at 676-678 Mission Street. A second option was for Rochester to relocate temporarily only their shipping and receiving department to the site at 676-678 Mission while accommodating the remainder at the Mercantile Building during the rehabilitation work. The third option would be for Rochester to relocate portions or all of its operation to vacant space outside the project. Mr. Mills indicated that staff had spent time evaluating these options and consulting with HUD in order to arrive at the least costly approach. The result is a staff recommendation that the Commissioners approve a temporary relocation of the shipping and receiving department to 676-678 Mission while accommodating the remainder at the Mercantile Building during the rehabilitation work since this would be the least costly. Mr. Mills indicated that after a search it was ascertained that no facilities existed outside the project that were suitable for Rochester's operation, and it would be more expensive to move the entire operation to Mission Street than just the shipping and receiving portions.

The contract with Mr. Schulster would then be entered into for evaluation work going on at the Mercantile Building while the T/W Associates are rehabilitating the building. T/W Associates will document any costs attributable to the Agency that are necessary for the redeveloper to do to accommodate the Rochester retail operation. Mr. Schulster will make certain the Agency is aware of any work being done and will act as the Agency's representative on site only for the time the temporary relocation is in effect. President Wexler commented this would be so the Agency would not be paying for any costs that would have been there in any event and that only additional costs in connection with the move would be taken care of.

NEW BUSINESS (continued)

Mr. Lee asked if November 10, 1978, was the scheduled completion date for the work at 676-678 Mission Street, and Mr. Mills replied that it was and that the contract calls for fifteen working days under construction.

Ms. Blomquist inquired if Items 9(b) and 9(c) were to be acted upon separately, and Mr. Mills responded affirmatively.

He indicated that the second item was for the award of a contract to the lowest of three bidders, Pearson and Johnson, for \$37,990 to prepare 676-678 Mission Street to accommodate the move of Rochester's shipping and receiving department. Ms. Blomquist asked if this work would change or enhance the building, and Mr. Mills replied it was work that would be advantageous in disposing of the building to some future developer; however, the partitions being installed now may not be useful to someone who may want more open space but the Agency at this time does not know who will use the building. Ms. Blomquist was concerned that \$37,990 in work was being done to make it easier for the Agency to demolish the structure.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that Resolution No. 245-78 be adopted.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that Resolution No. 246-78 be adopted.

- (d) Resolution No. 247-78 approving consultant services with Economics Research Associates, Yerba Buena Center Approved Redevelopment Project Area.

This concerns an agreement with Economic Research Associates for marketing of the recreation entertainment development in Yerba Buena Center for an amount not to exceed \$62,500. The services included are preparation and assistance in developer interviews, finalization of project criteria, preparation of offering material, review of developer proposals, and developer negotiations. The firm will also coordinate work with Mr. Richard Gryziec, Architect, and Agency staff.

Ms. Blomquist indicated that she approved of the contract form because it set out where costs were going. President Wexler indicated he was in favor of proceeding with the marketing of this project but wanted to make certain it was understood. It was his understanding that the first two stages were aiding the Agency to arrive at the point where it could proceed with the offering and also to solicit interest. He urged staff that as it goes through the process and if after contacting large developers it is determined there is sufficient information to go forward with the offering, that staff come back and advise the Commission of any interest expressed by developers so that consideration may be given to moving forward before expending all available funds. Mr. Redmond Kernan, Deputy Executive Director, indicated that staff would be conscious of working with available funds. The developer interviews are to pique their interest and elicit response from them. The object is to have developers make proposals and assist them when the offering comes out. It is not known if all funds would be spent on this or not. President Wexler inquired about the time parameters before coming out with the offering, and Mr. Kernan replied it was about February 1979. Staff has to get the information back and then contact developers and develop the criteria, so that by the time the offering is completed it could be early



NEW BUSINESS (continued)

February. The offering responses would come in by April or May 1979 and staff would do its evaluation of the offering at that time. President Wexler indicated that this would then be approximately June 1979 if all went well.

Mr. Lee asked if there would be six phases of development and would these meet that schedule, and Mr. Kernan responded that these were consistent with that projected schedule.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 248-78 authorizing the Executive Director to enter into a contract with Richard Gryziec, architect/planner, for professional planning services in connection with the proposed recreation/entertainment complex, Yerba Buena Center Approved Redevelopment Project Area.

This concerns a \$21,000 contract with Mr. Richard Gryziec to provide assistance to the Economic Research Associates for the marketing program of the recreational and entertainment complex in the Yerba Buena Center project. Mr. Gryziec has been involved in preparation of information on the environmental effects of the pleasure park and is well qualified to work with the Economic Research Associates and Agency staff. His work will include assistance in discussing the development with potential developers, financing the physical criteria of the complex, preparing material related to urban and physical design, assisting in review of developers' proposals, and coordination of the development with construction of the exhibit hall.

Ms. Blomquist inquired if this contract included travel, if any, and Mr. Hamilton responded that it could include some but it is not detailed separately. Mr. Edmund Ong, Chief of Architecture, responded that travel and other incidental expenses were included. Ms. Blomquist indicated that Mr. Ong may have some specific ideas on design but if in the event there were other ideas which were put forth that he disagreed with would he consider evaluating them, and Mr. Ong responded that he would certainly consider all ideas.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 249-78 designating Jones Memorial Homes, Inc., as redeveloper of Parcel 683-E, Western Addition Approved Redevelopment Project Area A-2

This item concerns designation of the Jones Memorial Homes, Inc., as redeveloper of a 14,473 square-foot parcel at the northwest corner of Post and Fillmore Streets for development of 50 to 60 studio and one-bedroom senior citizen apartments. Development will also include approximately 5,000 square feet of ground floor commercial use. This designation will enable the Jones Memorial Church to work with HUD in obtaining a facility commitment for financing the development during the six-months' designation period.

Mr. Hamilton noted the presence of Dr. D. T. Anderson, pastor of the church. President Wexler asked if Dr. Anderson wished to comment. Dr. Anderson indicated his appreciation of the designation. President Wexler inquired if Dr. Anderson was at the point of having architectural plans and he responded he did not yet have the plans but was working with consultants. President

NEW BUSINESS (continued)

Wexler urged that every effort be made to have the exterior facade serve not only the needs of the residents but also have it harmonize with other buildings in the area. Dr. Anderson responded that Agency staff had made the church most cognizant of that fact.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 250-78 granting to Yerba Buena Village Foundation, a California nonprofit corporation, a sixty-day extension of designation as redeveloper of Parcels 728-A, 3 and J, Western Addition Approved Redevelopment Project Area A-2.

This represents a sixty-day extension of time for Yerba Buena Village Foundation to obtain a financing commitment from the California Housing Finance Agency (CHFA), which required the foundation to conform with CHFA's cost constraints. The foundation was unable to provide additional cost information to CHFA's loan committee prior to CHFA's October meeting and needs the additional time to obtain CHFA's financing commitment.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 251-78 terminating agreement for disposition of land for low to moderately priced private housing site on the easterly side of Fillmore between Bush and Sutter Streets on the Western Addition A-2 project area. M-J Associates were unable to comply with a HUD requirement to obtain financing and HUD then terminated the outstanding firm commitment for the project. M-J Associates were advised of the default of the disposition agreement and given a sixty-day period to cure the default, but there has been no response. President Wexler inquired when the disposition of this parcel would come before the Commissioners again, and Mr. Quintin McMahon, Director of Real Estate, Marketing and Business Development, responded that it would be within seven days.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 252-78 awarding Site Improvement Contract No. 32 to the low bidder, W. Ballard Construction Company, Western Addition Approved Redevelopment Project Area A-2.

This is in connection with award of a contract to W. Ballard Construction Company, the low bidder, for \$16,300 to construct a reinforced concrete retaining wall on Agency-owned property located at 1866 Turk Street in the Western Addition Area A-2. Ms. Blomquist inquired how many square feet of wall was involved and Mr. Lindy Low, Senior Civil Engineer, explained that the retaining wall was 50 lineal feet long and 7 feet high with a five-foot footing, and represented approximately 600 square feet of surface, plus a one-foot thickness. Ms. Blomquist noted that based on the 600 square feet, the cost would be \$30 per square foot. Mr. Lee noted that Mr. Ballard's bid of \$16,300 was ten percent higher than the engineer's estimate. In response to Ms. Blomquist's inquiry, Mr. Lee responded that he believed

NEW BUSINESS (continued)

the amount to be reasonable. President Wexler indicated it was the lowest amount received on the second bid and conformed to staff estimates.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 253-78 authorizing the Executive Director to enter into a rental agreement with Branagh Inc. for the utilization of a portion of a cleared parcel of Agency-owned land in Block 756, Lots 8 through 12, for the purpose of storing excavated sand and gravel, Western Addition Approved Redevelopment Project Area A-2.

This is in connection with a rental agreement with Branagh Inc. for interim use of a parcel located at the southwest corner of Fillmore Street and Golden Gate Avenue. This 18,906 square-foot site will be used for storage of sand and gravel, which will not exceed a maximum of five feet in height. Branagh Inc. is the contractor for two parcels in an adjacent area and the \$200 monthly rental agreement is based upon \$.0106 per square foot which is consistent with Agency efforts to standardize rates for construction yard space at one cent per square foot. The lot to be rented is included in Offering No. 18 and proposals for this offering are due November 15, 1978, but it will be six months before any construction begins; however, by that time, Branagh Inc. will be off the parcel. Ms. Blomquist asked if this parcel was more or less square footage than that of Mr. Charles Walker's, and Mr. Mills responded it was less.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (k) Resolution No. 254-78 awarding a contract for pest control services, all projects, to Terminix of Northern California.

This item represents a two-year contract for pest control services with Terminix of Northern California in an amount not to exceed \$54,600. Terminix is the low bidder of three and the firm has performed its services satisfactory for the Agency in the past and staff recommends approval.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate because Terminix is a client of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

Acting President Shelley assumed the Chair and inquired about the number of firms solicited for this work. Mr. William McClure, Director of Rehabilitation, responded that six firms were contacted but had given various reasons for not wishing to bid, such as the size of the companies being too small for such broad coverage, being involved in litigation with the City and not wishing to contract with a City agency at this time, not wanting to comply with the affirmative action requirements, and expressing disinterest in the bidding because of a conflict in December 1974 when the Commission awarded to contract to Terminix rather than to Crane Pest Control Company which was recommended by staff.

NEW BUSINESS (continued)

Ms. Blomquist indicated the December 1974 date was incorrect because the contract was awarded last year, and Mr. Hamilton responded that the date was correct and explained that Crane Pest Control believed it had had an advantage because it had previously performed Agency work and had incurred certain expenses. Acting President Shelley indicated that the date was prior to last year. Mr. Hamilton indicated that Mr. Stanley Herzstein of Terminex of Northern California was present if the Commissioners wished to question him.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

President Wexler returned to the podium and resumed the Chair.

- (1) Resolution No. 255-78 ratifying the printing of the Gardens Brochure, Yerba Buena Center Approved Redevelopment Project Area.

This concerns ratification of building costs for the Yerba Buena Gardens brochure for \$920, which was prepared on an expedited basis to provide information at the recent Urban Land Institute meeting on October 8, 1978. The firm of Robert Mattoch Printing Company printed the brochure, and in accordance with the interest of the Commissioners in material printed by the Agency, this matter is being proposed for their ratification.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (m) Workshop on the status of Phase III, Hunters Point Approved Redevelopment Project Area.

President Wexler announced that this item would be continued at the fourth floor conference room at the recessed section of today's meeting.

- (c) President Wexler referred back to Item 9(c) in connection with the current status of the disposition agreement between the Agency and T/W Associates who are the redevelopers of the Mercantile Building in Yerba Buena Center. He indicated his understanding that the most recent extension expired on October 6, 1978, and he inquired if the Commissioners needed to do anything more to give T/W Associates another extension since no action was taken to provide an extension. He inquired would an extension expire if it was not extended. Agency General Counsel Leo E. Borregard indicated that if the extension actually expired on October 6 it would require an action to indicate redesignation or a continuance retroactive to October 6, 1978, which could be accomplished by a Rule of the Chair.

RULE OF THE CHAIR: President Wexler indicated that subject to any objections from the Commissioners their previous vote be effective to ratify an extension retroactively from October 6 to December 5, 1978, to the T/W Associates. There were no objections and it was so ordered.

MATTERS NOT APPEARING ON AGENDA

- (a) Ms. Blomquist requested that the \$2,500 authorized for advertisement for the position of Director of Development in the executive meeting of September 13, 1978



MATTERS NOT APPEARING ON AGENDA (continued)

be reconsidered by the Commissioners. President Wexler indicated that there was no problem in not discussing this item publicly and asked what effect would there be if it were voted upon at this time. Mr. Borregard indicated that there would be no effect depending upon what kind of vote there was because the vote previously taken was valid and binding and the action of the Commissioners now would have no legal effect other than to indicate some form of reapproval. If the vote was the other way that would be also effective and another affirmative vote neither adds to nor subtracts from any previously taken action. President Wexler concluded that the prior vote was effective and no vote was necessary at this time, whether it was appropriate for an executive meeting or not. Mr. Borregard indicated that he wished to caution the Commissioners that if another affirmative vote is taken, it could be construed that there was an impediment to the prior vote which was appropriately taken in the executive meeting. He believed the issue to be a borderline one since the vote could have been taken appropriately either publicly or in executive meeting. In his opinion the vote was more appropriate to be taken in public than in executive meeting but this depended upon how close the vote was and whatever action was taken is still a valid action of the Commissioners.

Ms. Blomquist indicated she was in opposition to advertising for the position of Director of Development since she believed existing staff could adequately do this work. She was concerned that staff would use this excuse to wait until a Director of Development was found and not move forward on developments. She indicated that two persons had told her that staff had advised them there was no land to develop. She believed time was being lost by advertising and staff would drag its feet waiting for this Director. She also believed there could be another recession in the real estate market and time would have been lost in marketing the land. President Wexler indicated that he had seen staff move rapidly to market land in many areas and this has been emphasized by the Commissioners. He believed that to help this process there should be someone with expertise to hasten that development along. He did not believe staff was holding up any project until there was a Director of Development and the sooner this position is filled the more rapidly the Agency can proceed with development in Yerba Buena Center and the Fillmore Center areas.

Mr. Hamilton indicated that he had no intention of delaying anything with respect to a marketing program while filling that position and there was also no deferral or delay last time either when the Agency recruited for a Director of Development. Ms. Shelley and Mr. Lee both indicated that there should be a Director of Development and Ms. Shelley indicated her confidence in staff and at this time wished to reaffirm the action taken in the executive meeting to advertise for the position of Director of Development. Ms. Shelley complimented the staff in pressing ahead on project development.

Ms. Shelley indicated she did not wish to cloud the issue but asked if there was any question of legitimacy or anything wrong with the action taken before, and Ms. Berk also asked if the new motion would cast any question on the issue. Mr. Borregard replied that if it were made clear by each Commissioner when the vote was taken that there was no suggestion of any invalidation of a prior action, since the Commissioners were now raising



MATTERS NOT APPEARING ON AGENDA (continued)

questions, that having considered this new information they did not wish to change their previous position. Therefore, the Commissioners are reaffirming what they did before in an executive meeting and having considered this additional new information they have clearly stated their present position.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee that the Commissioners do not wish to change the vote taken at the September 13, 1978, executive meeting relative to authorization of \$2,500 for advertisement for the position of Director of Development, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Lee  
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

- (b) Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated she wished clarification regarding the arbitrator requested for the WAPAC election which was coming up very soon. Mr. Hamilton indicated that the WAPAC contract would be reviewed by staff and that Mr. Borregard would advise staff whether the contract covered that provision. Mr. Arnold Townsend of WAPAC indicated that thirty-five days were needed to advertise the election and WAPAC had been holding off but now the year was almost over and it needed to have an arbitrator for fourteen days. Mr. Borregard indicated he would review the WAPAC contract now. President Wexler indicated that Mr. Borregard could review the Contract during the recessed meeting on the public workshop for review of Phase III, Hunters Point. Mrs. Rogers believed that staff had had the contract for some time and should have had the answers ready since she had asked for the information last Friday. Mr. Hamilton denied that this was a request and what was discussed at that meeting was a formal request by WAPAC which he had explained to Mrs. Rogers was outside the authority of the Executive or any staff person to approve. There was discussion of a number of alternatives that could be explored and one of those was the invoking of this provision in the WAPAC contract which he had written. He had indicated at the meeting last Friday that the matter would be made known to the Commissioners and if they wanted to change their thoughts the matter would be academic. Mr. Hamilton indicated that he could not formally respond to the WAPAC position on alternatives to having line item transfers in the WAPAC budget until WAPAC had written formally requesting the transfer. Mr. Townsend indicated that he had simply wanted a letter from Mr. Hamilton detailing how the proposed expenditure violated the spirit of the WAPAC agreement, after which he could respond formally. Mr. Hamilton had told him he could not do this until the Commissioners had turned down that expenditure. Mrs. Rogers

MATTERS NOT APPEARING ON AGENDA (continued)

indicated it would take longer if the matter went to the Agency's attorney. Mr. Hamilton indicated he would write the letter since he now had the authority. President Wexler indicated that he had asked that Mr. Borregard look at the WAPAC contract because he was unfamiliar with all the items in it and had also asked if the budget provided for this kind of situation. Mr. Borregard indicated that the question of whether or not the budget provided for a line item transfer and whether this transfer would or would not fall within the arbitration clause of the WAPAC contract was relevant, and since there is a question about this situation, it would take time to carefully review this matter, but that he would handle the matter as quickly as possible.

RULE OF THE CHAIR: President Wexler indicated subject to the objection of any Commissioner the meeting would recess for ten minutes and reconvene in the fourth floor conference room, 939 Ellis Street, San Francisco, California, to complete the agenda. There being no objections, it was so ordered. The meeting recessed at 6:25 p.m.

The meeting reconvened at 6:35 p.m.

NEW BUSINESS


- (m) Workshop on the status of Phase III, Hunters Point Redevelopment Project Area.

After discussion by the staff and Commissioners it was decided that the workshop would be rescheduled for the next Agency meeting.

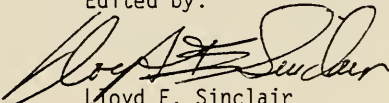
ADJOURNMENT

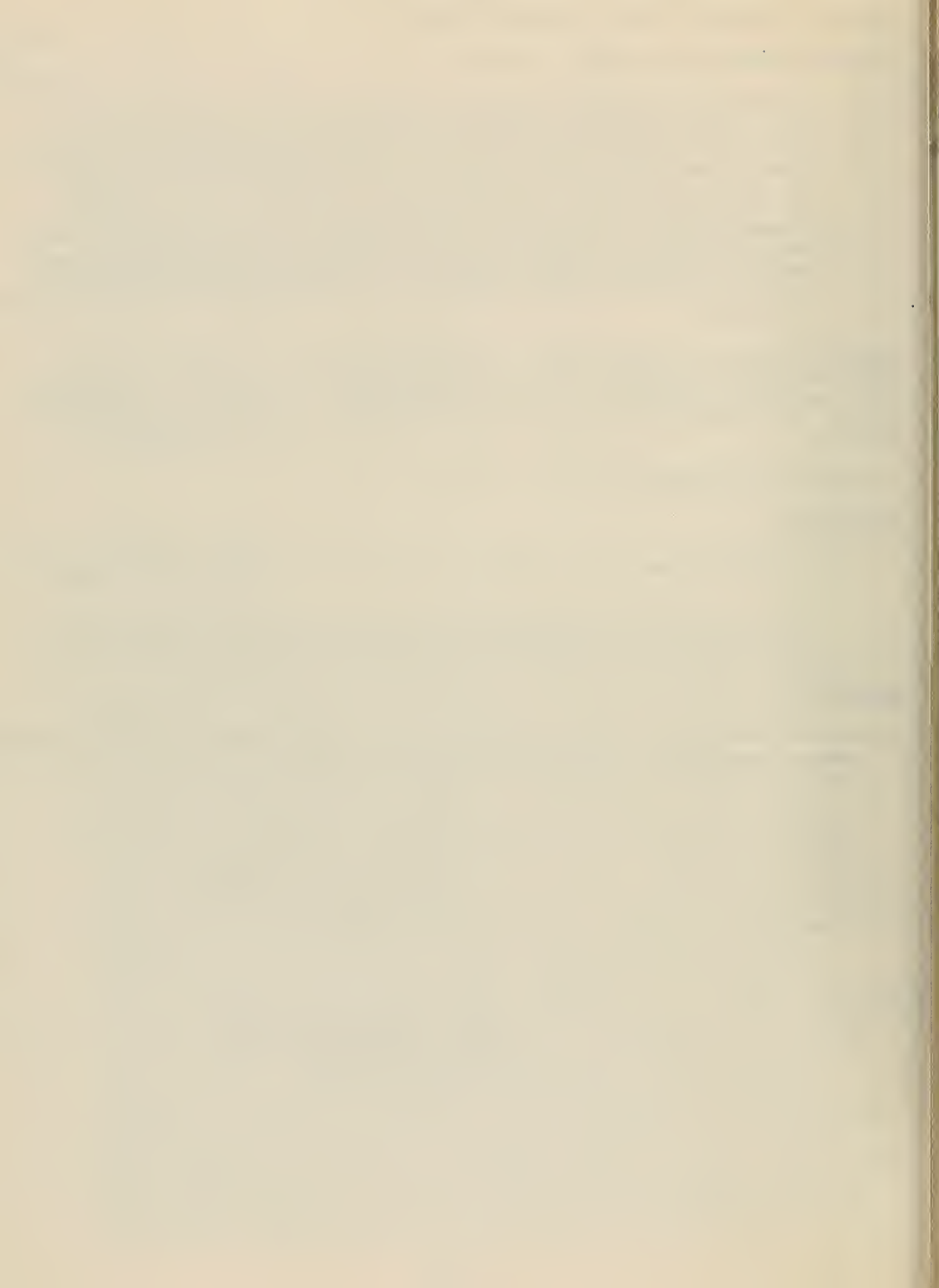
It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:45 p.m.

Respectfully submitted,

  
Elsie M. Landry *for*  
Assistant Secretary

Edited by:

  
Lloyd E. Sinclair  
Acting Secretary



NOV 28 1978

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
24TH DAY OF OCTOBER 1978

DOCUMENTS DEPT.  
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 4:00 o'clock p.m. on the 24th day of October 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk (joined the meeting at 4:40 p.m.)  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Honorable Lee Dolson, Supervisor of the City and County of San Francisco; Ignacio Galindo, Department of Housing and Urban Development (HUD); Betty Anne Lipow, Diamond Heights Neighborhood Association; Alvin Hayman, Hayman Homes, Inc.; James Stratton, Former Agency Commissioner; Arnold Townsend and Mary Rogers, Western Addition Project Area Committee (WAPAC); Henry Gage, Sr., Albert's Patrol Service; and Duke Ellington, Ellington Security Service.

Representing the press were Gerald Adams, San Francisco Examiner; Jack Lynch and Susan Eimer, San Francisco Chronicle; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Wexler indicated that subject to any objections by the Commissioners that approval of the minutes of a Regular Meeting of September 12, 1978, and the minutes of a Recessed Meeting of September 13, 1978, be put over until the next meeting. There were no objections and it was so ordered.

SPECIAL APPEARANCES

(a) Acknowledging "closing out" of the Diamond Heights Redevelopment Project.

President Wexler indicated that today marked the official closing out of the Agency's financing arrangement with the Department of Housing and Urban

SPECIAL APPEARANCES (continued)

Development (HUD) on the Diamond Heights project and he requested Mr. Hamilton to introduce the various individuals present in connection for a symbolic "burning of the mortgage."

Mr. Hamilton indicated that there were many people in San Francisco who had said that Diamond Heights would never become a reality; however, there was at least one individual present at today's meeting who would disagree with that statement because he had voted for the approval of the Diamond Heights project more than two decades ago. That person was Mr. James Stratton, Agency Commissioner at the time. It was exactly twenty-three years ago on October 24, 1955, that a majority on the Board of Supervisors voted approval of a redevelopment plan for Diamond Heights. Mayor John F. Shelley was another who believed in the project and with the support of the Board of Supervisors over the years, the project progressed. Mr. Hamilton indicated that the project now has been virtually completed and the issuance of the closing documents from HUD makes this an appropriate time to have a "burning of the mortgage." Today there are 2,146 new homes from low-to-moderate to luxury-priced single-family houses, duplexes, condominiums, and cooperatives which are finished and occupied by people of all backgrounds and ethnic extractions. A shopping center, three churches, fire station, two schools, and ninety-five acres of playgrounds comprise the remaining 325-acre development. Diamond Heights cost \$4,422,900 in Federal and State dollars and the land was sold for \$10,438,600. The construction on it totals \$60,923,000 and property taxes produced \$2,426,000 last year for the City, representing a 6,702 percent increase since 1955. Mr. Hamilton indicated that many of the builders, such as Hayman Homes, Inc., Galli Homes, and the American Housing Guild had received a number of design awards and Glenridge, which is the largest moderate-income development in the area, was difficult to distinguish from neighboring higher-priced housing.

Mr. Hamilton indicated that there were a number of people present who would help the Agency celebrate. Mr. Hamilton presented Ms. Shelley with a photograph of her father, the late Mayor John F. Shelley, taken on July 15, 1965, on the Red Rock Hill site before building commenced in Diamond Heights. Ms. Shelley thanked Mr. Hamilton. Mr. Hamilton then requested Supervisor Lee Dolson, who represents a substantial portion of the Diamond Heights neighborhood, to come forward along with Messrs. Ignacio Galindo, representing HUD, James Stratton, the former Agency Commissioner, President Wexler, and Mrs. Betty Anne Lipow, President of the Diamond Heights Neighborhood Association, to participate in the ceremony. The participants set fire to the first and last pages of the loan and grant contract. Mr. Hamilton noted that the original contract was signed by the Agency's Chairman at that time, former Mayor Joseph L. Alioto, and the late M. Justin Herman, who was HUD's Regional Administrator then and who later became the Agency's Executive Director. Supervisor Dolson and Mr. Stratton congratulated the Agency on completion of this excellent project.

At this point, Ms. Berk joined the meeting at 4:50 p.m.

Mr. Hamilton introduced Mr. Alvin Hayman, one of the builders who had constructed 200 units of housing in Diamond Heights. Mr. Hayman recalled that in 1947



SPECIAL APPEARANCES (continued)

Mr. James Lash who was Executive Director of the Agency had spoken to him concerning the feasibility of developing Diamond Heights. Mr. Hayman also offered his congratulations on completion of the project. President Wexler indicated it was a privilege to be present at the conclusion of such a successful project which had added so much in the way of revenue to the city.

Ms. Blomquist inquired of Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, if \$1.4 million was still available in the Diamond Heights categorical budget, since she understood that the Agency had received those funds. Mrs. Hale indicated that if the funds had been drawn down they would have been available, but the funds were not drawn down because the money was not needed and that the Agency had never borrowed the last \$1.4 million.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel H-7, Diamond Heights Approved Redevelopment Project Area B-1.

President Wexler opened a public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel H-7, Diamond Heights Approved Redevelopment Project Area B-1. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Agency held a bid opening today on \$6,205,000 in project loan notes for the India Basin Industrial Park project and the low bidder was the United California Bank at a 4.81 percent interest rate. There were six bidders with rates ranging from 4.81 to 5.09 percent. These notes replace \$7,515,000 at 3.53 percent of one year ago, Mr. Hamilton noted the increase in the interest rates.
- (b) Mr. Hamilton indicated that the 1979 Community Development Program Budget which was heard by the Finance Committee of the Board of Supervisors last Wednesday will again be before the Finance Committee tomorrow. The basic program recommendations as set forth by the Mayor's Office of Community Development and the Board of Supervisors' Budget Analyst, Mr. Harvey Rose, were considered last Wednesday and a number of items were severed from the basic resolution for further consideration tomorrow. Agency items to be considered included the Bayview North project and action on what amount should be funded for that program, the ten percent administrative budget reduction recommended by Mr. Rose, a lower lease rate for the Agency's Central Office recommended by Mr. Rose, and the termination of funding for the Western Addition Project Area Committee (WAPAC) as also recommended by Mr. Rose. Mr. Hamilton indicated he was uncertain what actions would be taken by the Finance Committee on these items but considerable discussion had gone on

REPORT OF THE EXECUTIVE DIRECTOR (continued)

at the hearing last Wednesday involving the Bayview North Project and alternate approaches to that program.

- (c) Mr. Hamilton indicated that Reverend Parree Porter would appear before the Rules Committee of the Board of Supervisors on October 26, 1978, for consideration as a Commissioner for the Agency replacing Dr. Hannibal A. Williams.

At this point, President Wexler indicated that an urgent item had arisen and he would have to leave the meeting early and requested that Item 9(c) be considered out of order since he had some questions he wished to ask in regard to that item. There were no objections.

NEW BUSINESS

- (c) Resolution No. 258-78 authorizing the Executive Director to enter into a contract with Albert's Patrol for security guard services, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a contract for security guard services in Western Addition A-2 with Albert's Patrol, the lowest of three bidders, for \$157,982 to provide 33,400 hours of guard service at an hourly rate of \$4.73. The contract provides for 16,700 hours of base service, a stationary guard in the site office, and a roving patrol when the site office is closed. The remaining 16,700 hours will provide for as-needed services, including security for rehabilitation sites, house moves, construction work, and instances requiring emergency guard services.

Mr. Hamilton indicated that this item had been before the Commissioners on September 19, 1978, and they had acted upon staff's recommendation to reject the three bids, restructure the specifications to eliminate any ambiguity regarding bids, and readvertise the contract. A spread sheet was provided for the information of the Commissioners.

President Wexler indicated there were two types of services shown and one was for continuing services and the other for special emergencies that come up. He indicated concern that there should be some kind of triggering mechanism to allow the Commissioners to look at the items that would be called for on an emergency basis so a determination could be made to lessen or alleviate the need for guard services. He asked if there were any such mechanism, and Mr. Hamilton responded that the Commissioners' overview with respect to use on an extended basis of those "as-need" hours would be entirely proper and use of those hours could be sufficiently flexible to allow the staff to make that commitment and then bring it to the Commission. Such a policy would provide for calendaring any situation or circumstance where "as-needed" hours were used extending beyond three days at the next scheduled Agency meeting. For example, if the three-day work period were to end on a Thursday, the Commissioners would be advised at the next meeting at which time they could consider the matter. It would mean there would be no use of "as-needed" hours which would extend beyond one week.

NEW BUSINESS (continued)

President Wexler inquired what was needed to accomplish this and Mr. Hamilton responded nothing was necessary because the contractor proceeds at the Agency's direction. President Wexler indicated the triggering mechanism recommended by Mr. Hamilton would satisfy his concerns.

Ms. Shelley drew attention to the document in the bid packet entitled "Bid for Security Services" in which it appeared the terminology referred to "gentlemen," "himself" and even "itself," and inquired why this could not include "herself." Mr. Hamilton indicated this was duly noted and would be changed.

Mr. Duke Ellington of Ellington Security and Patrol came forward and questioned the feasibility of the low bidder being able to service the contract for the amount bid. He indicated he had put in a bid and wished to know how it was possible a man could work cheaply and still pay the hourly rate and provide for radio equipment and other essentials in connection with the contract. Mr. Hamilton indicated that the services have been provided under contract for the past year at a comparable rate in this same area. He indicated the contractor will meet all Agency requirements, and presumably has satisfied himself that the contract is profitable. Mr. Hamilton suggested that Mr. Ellington contact other competing contractors to ascertain how they arrived at their bid figures since they were not subsidized by the Agency.

President Wexler indicated his understanding that staff would report back to the Commissioners regarding use of "as-needed" hours as proposed by Mr. Hamilton.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

President Wexler turned the Chair over to Acting President Shelley and left the meeting at 4:50 p.m.

- (a) Resolution No. 256-78 authorizing transfer and conveyance of Parcel H-7 to Joseph A. Uniacke and Mary K. Uniacke, Diamond Heights Approved Redevelopment Project Area.

Mr. Hamilton indicated that this was the subject of the public hearing just held and concerned assignment and transfer of two lots on Diamond Heights Boulevard to Mr. and Mrs. Joseph Uniacke. These parcels were part of a parcel conveyed to Hayman Homes in 1966 for phased construction of 120 single-family homes. The land disposition agreement required that the developer landscape and maintain any unbuildable parcel, and Hayman Homes had found these two lots to be unbuildable because of the corrective soils work required. The new owners propose using their own time and labor and acting

NEW BUSINESS (continued)

as their own contractor to build their own home, as well as another single-family residence for resale. The sales price of the lots is \$10,000 and staff and HUD have reviewed the costs involved and believe this is a reasonable price which represents no profit to Hayman Homes. Ms. Blomquist inquired how the Uniackes learned about these lots, and Mr. Uniacke responded he had driven by the site and had asked the Agency about its ownership.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 257-78 authorizing and granting a variance from the physical standards and requirements of the Redevelopment Plan, Block 7526, Lot 2, Diamond Heights Approved Redevelopment Project Area B-1.

This item also concerns the two lots to be purchased by Mr. and Mrs. Joseph Uniacke dealing with granting of a variance to the five-foot front yard setback. The parcels require variances from the Redevelopment Plan setback requirements to minimize the height of the necessary retaining walls. Property owners within 300 feet of the parcel have been notified that a variance would be considered by the Commissioners in accordance with the Agency's policy and staff recommends the granting of this variance.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

Mr. Glickman inquired if notices were posted in the surrounding area of the lots, and Mr. Edmund Ong, Chief of Architecture, responded that the notices were not posted but there was a mailing to everyone within a 300-foot radius of the parcel. These people were notified of the request for variance about two weeks ago. Mr. Glickman made the suggestion that when variances are requested that not only should these be delivered to people in the vicinity but also the notices should be posted near the site. He believed this procedure worked out well for the Department of City Planning. Acting President Shelley inquired if there would be any problems in following this posting procedure, and Mr. Hamilton indicated there would be none.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that whenever a variance is requested from the Redevelopment Plan that notices be mailed to adjacent property owners and posted in the area near the parcel.

- (c) Item 9(c) was considered earlier on the agenda.
- (d) Resolution No. 259-78 awarding a house moving contract to the low bidder and authorizing the Executive Director to execute same, Western Addition Approved Project Area A-2.

This item concerns a contract with Coast House Movers, Inc., to move a wood-frame, two-story Victorian building from 1759 Sutter to Ellis between Beideman and Divisadero Streets at a cost of \$51,200. Coast House Movers was the only bidder and staff recommended approval because this firm had provided satisfacto



NEW BUSINESS (continued)

service in the past and it was necessary to act quickly to keep the development schedule for the parcel to be cleared. Mr. Hamilton indicated that staff was concerned that no affirmative action agreement had been reached with the contractor before execution of the contract, however it was recommended that the Commissioners authorize the award subject to the contractor committing himself to a written affirmative action program identifying by name the residents he will hire. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated negotiations with the Contractor on his affirmative action program were still continuing.

Ms. Blomquist inquired if there were any calls made to ascertain why there was only one bid, and Mr. William McClure, Director of Rehabilitation, responded there were and also the staff mailed out bid packets to seven house movers in the Bay Area but only one bid had been received at the October 6, 1978 bid opening so staff readvertised and resolicited bids and again only one was received. Mr. McClure indicated that five other contractors had been contacted and three indicated they were too busy and had other jobs and two had disconnected telephones.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated that WAPAC was willing to go along with the contractor because he was the only bidder but only if an affirmative action program could be worked out. Mr. Townsend indicated that Coast Movers had moved every Agency building and expressed concern that although the firm agreed to an affirmative action program, they did not enforce the program. He indicated that that firm had hired no residents from the area during the time it had moved close to twenty houses for the Agency. When residents were finally hired they were not kept after completion of the job. Mr. Townsend indicated that there needed to be someone representing the community, and also someone to inform the contractor of his responsibilities under this contract. He claimed that only one bid would be forthcoming because the house moving field was a closed one and never opened up to create more house movers and, therefore, no one could learn the trade. He also indicated that the contractor never calls any residents again to do work outside the project area.

Ms. Blomquist inquired how many jobs WAPAC was requesting, and Mr. Townsend responded the goal was 50 percent for a field that was opening up where the contractor has to train people. He indicated he had had no success with Coast Movers so far. Acting President Shelley inquired of Mr. Hamilton if there were any assurances in awarding this contract today that the Commissioners would not be giving up any kind of leverage in dealing with the contractor, and Mr. Hamilton responded that there was assurance since the approval would be subject only to successful negotiation of an affirmative action program. He asked Messrs. Townsend and Mr. Earl Mills, Deputy Executive Director for Community Services, resolve these problems.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (e) Resolution No. 260-78 approving and authorizing the Executive Director to issue a work authorization to the City and County of San Francisco for inspection services, India Basin Industrial Park Approved Redevelopment Project Area.

This concerns execution of a work authorization to the Department of Public Works for \$41,000 to provide construction inspection services for the contract work on Cargo Way. Payments will be on a time and materials basis. Since the improvements ultimately will be dedicated to the City and maintenance is the City's responsibility, the use of City inspectors insures that the work will be acceptable to the City, and also relieves the Agency from hiring additional inspection staff. Ms. Blomquist inquired if the City required that inspectors be on the site all during the time of construction, and Mr. Frank Cannizzaro, Chief of Engineering, responded that the inspectors would be on site during the whole contract period. Ms. Blomquist questioned why this was and he explained that this was an extensive job involving \$1 million of work and the City wants full-time inspection of the job.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Acting President Shelley indicated Ms. Blomquist had requested that the agenda be reordered to consider an item before recessing to the fourth floor conference room. She inquired if there were any objections to this request from other Commissioners. Mr. Glickman inquired what the item was and the necessity for it to be brought up without proper notice to either the Commissioners or staff. Ms. Blomquist responded that there were several matters she wished to discuss. In response to Mr. Glickman's inquiry, Mr. Hamilton indicated that, without prior knowledge, staff may not be able to respond. Mr. Glickman indicated his objection to reordering the agenda. He inquired if Ms. Blomquist could provide specific information on the matters she wanted considered, and she responded that her questions concerned the status of the following: (1) the Stockton/Sacramento project; (2) Offering No. 20 for WA A-2; (3) the Vida Foundation; (4) the occupancy of Victorian Square; and (5) the Rescalvo-O'Connor development. Mr. Glickman objected to having these matters discussed because staff and Commissioners had not been given any notice. He believed that everyone should be notified of items proposed for consideration in order to answer questions intelligently.

Acting President Shelley inquired if the Commissioners wished to take a vote on the question of reordering the agenda, and Mr. Glickman indicated that the scheduled agenda item on Phase III of Hunters Point was a matter of importance to him and if Ms. Blomquist's items were taken out of order there was a question of whether he could stay for the workshop. Mr. Lee

MATTERS NOT APPEARING ON AGENDA (continued)

suggested that staff may have answers to Ms. Blomquist's questions and inquired whether immediate answers by staff were possible. Mr. Hamilton indicated he did not know what Ms. Blomquist's questions were.

Ms. Blomquist indicated she wished to have questions answered on the status of the matters enumerated. Mr. Hamilton responded that issues related to Agency policy were ones the Commissioners could discuss at any time, but when information was requested of staff it was necessary to have an opportunity to obtain current and complete information in order to respond effectively. Ms. Blomquist indicated public business was being conducted and she wished to discuss matters in a public meeting. In addition, she did not believe staff was providing information. Acting President Shelley inquired of Mr. Blomquist if she had previously attempted to obtain any information from staff on these matters, and Ms. Blomquist responded she had on two occasions but had received unsatisfactory responses. Mr. Glickman urged that the Phase III Hunters Point report be heard and expressed concern about the people who had come to the meeting because this matter was on the agenda. He suggested that the Commissioners continue with the agenda. He indicated that staff could not appropriately respond to questions because they did not know the questions.

Ms. Berk indicated her understanding that Ms. Blomquist wished to raise these questions in a public meeting. Ms. Berk believed this could be useful and suggested that Ms. Blomquist ask her questions now and that staff respond at the next meeting after there has been time to consider them. Mr. Hamilton responded that this could be done but asked what specifically was being requested since it was unclear whether information was being sought or policy questions were being raised. If this were a request for information, then staff should have the opportunity to respond before the matter was calendared for consideration in a public meeting. Mr. Glickman objected to any questions being raised in public meeting that should be raised directly with staff. He also objected to having the questions raised and answered at a subsequent meeting. Acting President Shelley indicated that Commissioners could request that items be put on an agenda and if Ms. Blomquist had no objections her request for status information would be calendared for next week's meeting. Ms. Blomquist again indicated that she wished to ask questions on the status of certain items, and Mr. Glickman reiterated his objections. Acting President Shelley indicated there was a question of whether to calendar Ms. Blomquist's request for status reports on next week's agenda, and Mr. Glickman indicated he had no objections to having them calendared as long as everyone was notified of the specific matters Ms. Blomquist wished discussed.

Acting President Shelley requested Ms. Blomquist to state her requests and information would be provided by staff at next week's meeting, if there were no objections from any of the Commissioners. There were no objections.

Ms. Blomquist requested information on the following matters: (1) the Stockton/Sacramento project; (2) Offering No. 20, WA A-2; (3) the Vida Foundation; (4) occupancy of Victorian Square; and (5) the Rescalvo/O'Connor development.

MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Mr. Hamilton indicated that Agency General Counsel Leo E. Borregard had advised him there was an off-agenda legal matter to consider after the Hunters Point workshop item.

Acting President Shelley indicated that the meeting would be recessed to the fourth floor conference room for Item 9(f) and one off-agenda item. The meeting recessed at 5:25 p.m.

The meeting reconvened at 5:35 p.m.

NEW BUSINESS (continued)

- (f) Workshop on the status of Phase III, Hunters Point Approved Redevelopment Project Area.

Mr. James Wilson, Area Director of Hunters Point/India Basin, indicated that the purpose of the workshop was to outline the development strategy for market-rate lots in Hunters Point Phase III and seek the Commissioners' endorsement of the proposed strategy. He summarized the development of Phases I and II, and then enumerated the marketing and development alternatives for Phase III. These alternatives included: (1) marketing of raw land; (2) marketing of improved lots; (3) marketing of improved lots with a preliminary housing design; (4) marketing of improved lots with a final housing design; and (5) marketing of completed housing. Mr. Wilson stated that the completion of the site improvements was the first goal, and the second was the construction of market-rate housing. There are plans to develop 300 units of market-rate housing on St. Joseph's Hill and the staff recommended marketing the Hunters Point housing as quickly as possible to avoid competing with such market-rate housing proposed in the Bayview-Hunters Point area.

Mr. Wilson indicated that Site II which is located adjacent to the Neighborhood Facilities Center is to be included in the offering of Phase III and that it can be made available for immediate construction. He recommended that this site be built to the Agency's preliminary housing design specifications to facilitate its early completion. Construction could begin in 1979 with an expected completion date of 1980. Staff recommended that Sites 12 through 15 in Phase III be marketed without constructing the culs de sac, which would allow the greatest amount of flexibility for the developer. Mr. Wilson indicated that the Agency would complete design plans for these sites and make these available to developers.

Mr. Robert Isaacson, staff engineer, then reviewed the schedule and contracts necessary to construct site improvements and complete the housing design plans for Phase III. He noted that Site Improvement Contract No. 19 will provide for grading the top of the hill, creating terraced building pads and the completion of the construction of Whitney Young Circle to Cashmere Street. This contract will take approximately nine months to complete. Site Improvement Contract No. 25 will provide for grading and cul de sac construction including sidewalks and utilities on Site II and is planned for 1979 to allow for early marketing and construction on the site. Site Improvement Contract No. 30 includes completion of site improvements on housing sites 12 through 15.

NEW BUSINESS (continued)

Mr. Wilson indicated that although Site II would be part of Phase III, it would be available for early construction, and there is flexibility in the marketing of Sites 12 through 16 in that the sites are to be developed individually or as a whole, or in any combination. The Hunters Point Site Office is on Site 16 and it would be offered separately and be the last site to be developed.

The proposed marketing plan includes standard methods of direct mailing, public advertising, printing and mailing of a brochure, local handouts, and personal contacts. Staff recommended that the Commission endorse the overall development and marketing strategy for Phase III and subsequently actions will be calendared for the Commissioners' consideration which include: (1) approval of the offering; (2) designation of developers; (3) award of Site Improvement Contract No. 25, which provides for the necessary improvements on Site II; (4) rejection of bids for Site Improvement Contract No. 19, due to prices being substantially higher than staff estimates; (5) award of Site Improvement Contract No. 19 following rebidding; and (6) award of Site Improvement Contract No. 30, for improvements on Site 12 through 15.

Ms. Blomquist inquired how Phase II was developed and Mr. Mills indicated that both site improvements and housing for Phase I and II were designed by staff architect in order to save the developers money on site improvements. The difference was that Phase I and II were subsidized housing and subject to HUD guidelines. Phase III is different because it will essentially be market-rate housing and developers will have an input.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that staff believed this proposal has flexibility which may make the parcels more attractive to market-rate developers. Mr. Glickman asked if staff had any indication of interest in market-rate housing in Hunters Point and Mr. Wilson responded affirmatively. Mr. Glickman inquired if staff would be restricting consideration to large developers, or whether it would also consider smaller developers, and Mr. Philip Westergard, Business Development Specialist, responded that the SB-99 financing program will be available to all developers with money for both construction and permanent mortgages. Discussion followed on the advantages of a single developer as opposed to a number of developers.

Mr. Glickman inquired about the size of the lots and staff indicated the lot sizes would be from 22 feet to 26 feet wide and were for single-family units. Mr. Westergard pointed out that the open space would be controlled through homeowners' association and that the marketing plan allowed for participation by moderate-sized developers. In response to Mr. Glickman's inquiry, Mr. Westergard responded that the lots were priced at approximately \$5,000. Mr. Glickman expressed the belief that using one developer tends to promote design monotony, and that resale potential is higher with more than one developer. He also indicated his opposition to construction of tract housing. Mr. Hamilton responded to an inquiry from Mr. Lee that staff was seeking production of housing which best serves the Agency's design goals. He added that having several developers not only added variety but eliminated the possibility of having one developer fail and then having start the process over. Mr. Hamilton stated that the offering brochure would be sent to the Commissioners prior to printing.



NEW BUSINESS (continued)

Mr. Kernan stressed his belief that the proposed marketing strategy was flexible and that early construction on Site II would give a positive image for developers looking at the other sites.

Mr. Glickman inquired if it were anticipated that the Agency's site plan would need to be changed by the developers, and Mr. Kernan responded that staff believed the plan was good but could be changed if the market so dictated before site improvements were built. Mr. Lee inquired if there were only one developer, whether model homes could be built and the units presold. He also inquired if the Agency's disposition agreement could provide for a phased take-down, which would allow a developer to test the market. Mr. Kernan responded that a developer would be allowed to build model homes and presell units before construction, and further that a staged take-down could be allowed.

Acting President Shelley inquired whether dealing with several developers would mitigate the risks. Mr. Hamilton responded in the affirmative but indicated that the Agency would not be precluded from selecting only one developer if the Commissioners so desired.

Mr. Glickman commented that the market-rate housing to be built in Phase I would be a test for the whole project. He expressed concern that Site II in Phase III be well done so it would be a positive attraction to other developers.

Acting President Shelley inquired about the Department of Housing and Urban Development (HUD) letter regarding further development of housing in Hunters Point, and Mr. Hamilton explained that HUD's concern was directed to the economic and racial integration of Sites C, D, and E in Phase II, which were the last subsidized housing units scheduled for the project. He stated that those concerns were disproved with the rent-up of the LaSalle and Shoreview Apartments and that building of market-rate housing in the area would also respond to HUD's concern.

Ms. Blomquist inquired why Site Improvement Contract No. 19 would take so long, and Mr. Kernan indicated that it would take nine months to build the main spine street across the ridge of the hill, including site improvements and provision for the grading necessary to create the building pads. Ms. Blomquist asked if giving the potential developer a choice or an opportunity for input would delay Contract No. 19, and Mr. Kernan answered negatively.

Acting President Shelley inquired about specific actions the Commissioners were to take today, and Mr. Hamilton responded that staff was seeking approval of the strategy for the marketing and development of Phase III.

MOTION: It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the marketing and development strategy as outlined by staff for Phase III Hunters Point be adopted.



MATTERS NOT APPEARING ON AGENDA (continued)

- (c) Waiver of signatories, Apparel Mart Site, Yerba Buena Center.

Agency General Counsel Leo E. Borregard indicated that the exclusive negotiating rights resolution for the new apparel mart site required that Arcon/Pacific, Ltd., and Campeau Corporation of California and the joint venture execute a land disposition agreement acceptable to staff before Wednesday, October 25, 1978, at 5 p.m., as a condition of the continuation of the exclusive negotiating rights until November 24, 1978. The resolution also required that the joint venture execute a housing agreement acceptable to staff for the proposed Office Building Site No. 2 by October 25, 1978.

Mr. Borregard believed that the signatures of Campeau and the joint venture could be delayed and recommended that the Commissioners delete the requirement for the execution of the housing agreement and Office Building Site No. 2, since it was the intention of staff to secure the additional approvals of the apparel mart agreement and the executed Office Building Site No. 2 housing agreement before the Commissioners considered it in a public hearing in November.

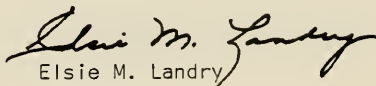
Ms. Blomquist inquired whether such a waiver would alter the disposition schedule for Arcon/Pacific, Ltd., and Mr. Borregard responded that it would not.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that execution of an apparel mart disposition agreement acceptable to staff made by Arcon/Pacific, Ltd., by October 25, 1978, at 5 p.m. is sufficient to extend the exclusive negotiating rights until November 24, 1978, the other signatures thereto and Office Building Site No. 2 housing agreement execution requirement being waived with the understanding that the signature and execution requirement so waived will be accomplished before the Commissioners consider the apparel mart disposition agreement in November.

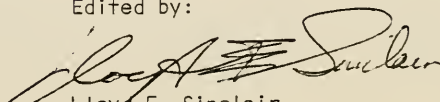
ADJOURNMENT

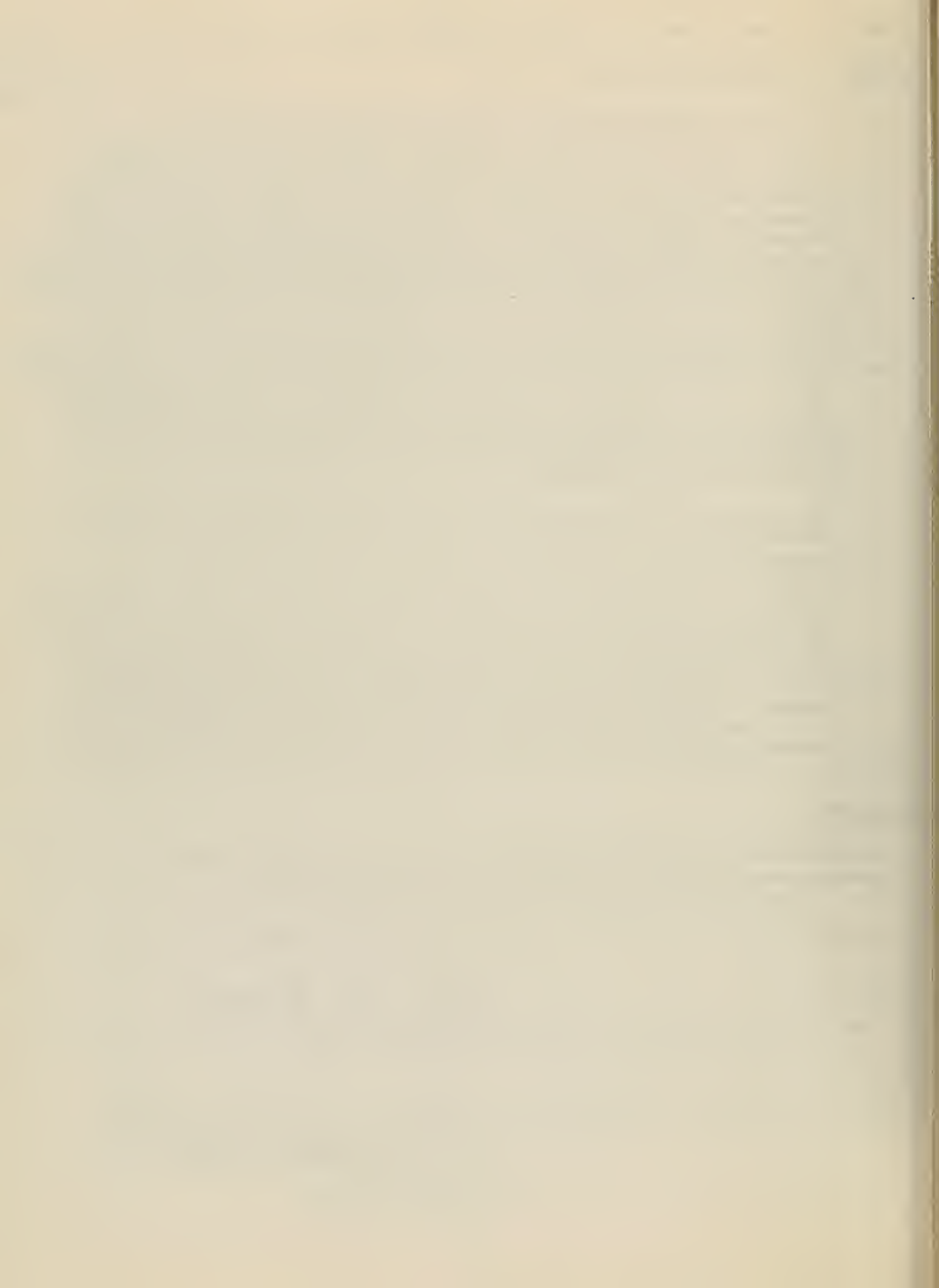
It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:00 p.m.

Respectfully submitted,

  
Elsie M. Landry  
Assistant

Edited by:

  
Lloyd E. Sinclair  
Acting Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
31ST DAY OF OCTOBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of October 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Maria Galatti and Dorice Murphy, Vida Foundation; Dr. G. Gerardo, Gloria and Rex Abriam, Polly Arzaga, Claude Timbresa, Anselmo Realto, Eliseo Medrano, Noemi Castillo, Rose Anesada, Aster Navarro, G. T. Alvaro, Chris Kapasares, Sally Mortel, Rose Picarro, Max Finuliar, Antonio Salinda, Alex Esclamado, Luis Rosa, Julio Maray, Donald Bvangan, Luvio Taymundo, Ernie Sana, Antonina Raymundo, and Mark Tayo, Filipino-American Council of San Francisco; T. Pozniakoff, Allied Services; Ted Frazier, San Francisco Coalition; Cip Ayalin, San Francisco Council of Lions Clubs; A. C. Unalde, Bethany United Methodist Church; Betty Anne Lipow, Diamond Heights Neighborhood Association; H. J. Sexton, Alan Harris, Steve Lyon, Piero Patri, Richard Scott, Lyn Lyons, Alex Axelrod, A. J. Lirot, and Gene Pollard, Pacific Trade Associates; Frank Mangrobang, Dr. Steven Sadang, Vickie Delano, Mel Guillermo, Robert Delano, Jovita Buted, Rhody Laigo, Gabriela Tambio, and Beatriz Galicia, Philippine Cultural and Trade Center; Tom Callinan, John Montgomery, and Jack Jarrell, Pacific Union Development Opera Tower Plaza; and Terry McCrory, Willie James and Mary James, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Gerald Adams, San Francisco Examiner; Dan Borsuk, San Francisco Progress, and Llamas Rosario, Philippine News.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the minutes of a Regular Meeting of September 12, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the minutes of a Recessed Meeting of September 13, 1978 as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the minutes of a Regular meeting of October 3, 1978, as distributed by mail to the Commissioners, be approved.

APPROVAL OF MINUTES (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner the approval of the minutes of the Regular Meeting of September 25, 1978 would be held over to the next meeting. There being no objection it was so ordered.

REPORT OF THE PRESIDENT

President Wexler indicated that there would be a televised debate of Vice President Shelley and Senator John Briggs on the issue of Proposition 6 at 11 p.m. this evening.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The 1979 Community Development (CD) budget has been incorporated into the City's CD application and has been submitted to the Mayor for review. The Finance Committee of the Board of Supervisors has unanimously approved the Agency's budget with the reduction of the Bayview-North Project budget from \$944,000 to approximately \$420,300. This reduction has been reviewed by the Agency and it is believed that planning of the project can proceed. The CD application will be calendared for review by the Board of Supervisors on Monday. During the review of the application, the Finance Committee members requested that the Agency evaluate the costs of having the central office remain in its present location. Mr. Wally Wortman, Real Estate Department of the City and County of San Francisco, has been requested to work with the Agency and the Budget Analyst's Office to determine feasibility of moving the Agency to another location and to determine the costs that would be involved. Mr. Hamilton indicated that the Agency would also discuss this proposal with its landlord, the Bay Area Pollution Control District.

The Finance Committee also proposed a 12 percent reduction of the Agency's administrative budget. The specific positions to be eliminated are to be determined by the Agency. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that staff would develop a recommendation on how the reduction would be effected and would advise the Commission of this recommendation.

- (b) The Board of Supervisors' Rules Committee has confirmed a new Commissioner for the Agency, Mr. Porter, and has reaffirmed the appointment of Mr. Glickman. The swearing-in ceremony will be held in the Mayor's Office on Tuesday, November 7, 1978 at 11:30 a.m.

UNFINISHED BUSINESS

- (a) Resolution 212-78 granting exclusive negotiating rights for Parcel 762-A, block bounded by Van Ness, Franklin, Golden Gate and Turk Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that at the meeting of September 26, 1978, the development of the parcel known as the "Doggie Diner Site", Parcel 762-A, had been discussed. At that time staff had recommended that the Commissioners consider elimination of all proposals submitted for this parcel, except those presented by Pacific Trade Associates (PTA) and Opera Towers. This recommendation resulted from staff's analysis and conclusion that the other proposals

UNFINISHED BUSINESS (continued)

did not meet the threshold criteria for the offering. A request for a thirty-day extension to consider the matter was also requested at that time. This would have meant that the matter would be calendared for consideration on October 24, 1978, but staff believed an additional week was necessary to conclude certain aspects of the matter. Mr. Hamilton indicated that staff had met with the developers and community representatives in an effort to ascertain their responses to the Commissioners' concerns about the development proposals. He indicated that representatives of the developers were present to comment on these discussions and that the final position from each developer had also been received in writing.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT ALL OTHER PROPOSALS FOR PARCEL 762-A BE REJECTED EXCEPT THOSE PRESENTED BY PACIFIC TRADE ASSOCIATES AND OPERA TOWERS, WESTERN ADDITION A-2.

President Wexler indicated that the Commissioners had just received some information from the Philippine Cultural and Trade Center (PCTC), dated October 23, 1978. This information concerned a special meeting held on that date which indicated PCTC's willingness to rescind an action taken at its shareholders' meeting June 9, 1978 to enter into a contract with PTA. At this board meeting it was also requested that the \$120,000 deposit be assigned by the Agency to PCTC. This letter indicated that a subsequent board meeting of PCTC would be held on October 26, 1978 and President Wexler inquired if there was a report on the results of that later meeting.

Mr. Alex Esclamado indicated that he had been authorized to speak for representatives of PCTC and that the stockholders of PCTC had reaffirmed the action taken by the Board of Directors on June 9, 1978 to associate with PTA. Mrs. Jovita Buted confirmed that Mr. Esclamado had been authorized to speak for the PCTC. Mr. Esclamado indicated that there were allegations that the PCTC board has acted illegally and noted that there is a certain conflict between one group alleging that the stockholders meeting of October 26, 1978 illegally rejected the Board of Directors action of October 23, 1978.

In response to President Wexler's inquiry, Mr. Esclamado reaffirmed that the action taken on October 26, 1978 indicated the agreement of the PCTC members to unify its support of the PTA proposal. Mr. Glickman inquired if there were minutes of that meeting, and Mr. Esclamado indicated that since the meeting had been held such a short time before the Commissioners' meeting, the minutes were not yet available. He indicated that the two factions within the PCTC were now in agreement and that if the Commissioners would permit them to have additional time, such agreements could be formalized and submitted to the Commissioners for their review.

President Wexler indicated his understanding from Mr. Esclamado's report that PCTC had not taken a formal legal action since its meeting of October 23, 1978. He pointed out that an informal action or meetings, such as Mr. Esclamado had reported on, did not constitute formal action of the PCTC membership. Mr. Esclamado reiterated that PCTC had acted to unify in support of PTA, and a resolution would be submitted to the Commissioners.



UNFINISHED BUSINESS (continued)

Mr. Alan Axelrod, attorney for PTA, indicated that documents had been submitted to the Commissioners which reaffirmed the agreement between PCTC and PTA. President Wexler indicated that he was not attempting to ascertain if there was a binding agreement between PCTC and PTA, but to determine if the Commissioners had all of the documents reflecting the legal actions of PCTC. He indicated his understanding that the Commissioners had received documents from June 9, 1978 that related to the agreement between PCTC and PTA and that documents reflecting subsequent actions on October 23, 1978 appeared to reject this agreement. He noted that the Commissioners needed to have all pertinent documents to evaluate in determining the validity of the actions. He again inquired if all of the documentation had been submitted.

Mr. Axelrod indicated that he had been shown a statement from the shareholders of PCTC, dated October 31, 1978, when he came to the meeting. This statement endorsed the relationship of PTA and PCTC. President Wexler indicated that that document did not appear to result from a meeting of PCTC or reflect any official action. He indicated his understanding that it was a statement by citizens who happened to be shareholders. Mr. Axelrod agreed but noted that he was unfamiliar with the PCTC meetings and the form in which actions taken by the shareholders were reported. Mr. Axelrod indicated that he was not aware of any other documents to be submitted. He noted, however, that President Wexler's concerns were valid that actions may have been taken by two factions in PCTC that may be contradictory.

President Wexler indicated he had been attempting to obtain any documentation that reported a legal action by the PCTC Corporation and he was satisfied that this submission constituted all such information.

Mrs. Buted indicated she had discussed the PCTC actions with Dr. Steven Sadang and a Mrs. Alada noting she had voted to support PTA and they also agreed to support it as an opportunity to recover some of their investment.

President Wexler indicated that representatives of both development teams were available and invited them to comment with the understanding that both groups had previously made extensive presentations and it would only be necessary to highlight important issues or bring anything new or different to the Commission's attention.

Mr. John Montgomery indicated that he was the Vice President of Pacific Union Development Company which is associated with the Opera Towers Plaza proposal. He noted that this development team had evaluated the uses needed for this area and had determined that construction sales housing would be the use suitable for the parcel. He stressed that that this resulted from an overall consideration of the city's needs. He noted that they were also aware of the concerns and needs of the Filipino community and had made an effort to address these issues in their proposal. Mr. Montgomery noted that communication with the community had been kept to a minimum to avoid any possible conflict of interest. He referred to a letter submitted to Mr. Hamilton which outlined a proposal addressing what they had determined to be valid community needs. Mr. Montgomery noted that it appeared a number of Filipino people had invested money in the proposed development of this site and now had lost this investment. He indicated that Opera Towers was prepared to compensate for these losses in an amount determined to be out-of-pocket costs. They would deposit \$325,000 in an escrow account to be administered by the Agency for the purpose of returning

UNFINISHED BUSINESS (continued)

money to the actual investors from the Filipino community. He believed that this deposit together with the \$120,000 deposit presently held by the Agency would reimburse the actual losses of these investors. Mr. Montgomery noted that another issue was provision of an expression of the identity for the Filipino community and the need to establish a space for a representative community organization. The developers would provide 2,000 square feet of space in the development for a lease amount of one dollar a year. This space was to be used for cultural and community activities. The developer would also propose to grant an option on an additional 20,000 square feet to be either adjacent to or contiguous with the cultural center. This would be made available for leases to Filipino businesses complementary to the cultural center.

Mr. Montgomery indicated that the Opera Towers development team would be willing to work with the Filipino community on this project which would serve the Filipino community and was needed in the city. Mr. Montgomery indicated that through the use of SB-99 financing, Opera Towers had a financing vehicle which assured the feasibility of the project. He requested that Opera Towers be granted an exclusive negotiating right for a period sufficient to enter into a land disposition agreement with the Agency.

Mr. Lee inquired how long the lease would be made available to the community for the 2,000-square-foot space at a dollar a year. Mr. Montgomery indicated that this had not been determined but that 20 or 30 years was the duration being considered. He suggested that there could even be some form of condominium arrangement worked out if the Filipino community preferred to have that type of arrangement. He stressed that it was Opera Towers' intention to work out an appropriate arrangement with the community to serve its needs and insure that the space was being operated in a professional and efficient manner. In response to Mr. Lee's inquiry, Mr. Montgomery indicated that the 20,000 square feet of space would be provided on an optional basis for Filipino businesses to lease and that this space would be held off the market for a one year period after start of construction.

In response to Mr. Glickman's inquiry, Mr. Montgomery indicated that the developer would consider making the 20,000 square feet available to Filipino businesses on an ownership basis if that was determined to be appropriate. He stressed that the implications of such a sale of space to individual tenants or a group of Filipino investors would require further evaluation. Mr. Glickman inquired if Mr. Montgomery had met with the Filipino community to discuss these matters. Mr. Montgomery indicated that they had not although they had tried unsuccessfully to contact Mr. Esclamado. He noted that it appeared the investors involved in PCTC had a contract with PTA and that Opera Towers was concerned about creating a possible conflict of interest if they directly contacted the investors. Mr. Glickman stressed his belief that if Opera Towers was awarded negotiating rights for the parcel, the Commissioners would expect the developer to seriously negotiate with the Filipino community and be accessible to respond to community concerns. He stressed that the Commissioners were concerned about the community and the provision of an opportunity to have an expression of its identity. Mr. Glickman indicated his understanding that there were two aspects to consider: the feasibility of the project and having a program that was responsive to the community needs. Mr. Montgomery expressed his belief that the Opera Towers proposal directly addressed both of these issues.

In response to Ms. Shelley's inquiry, Mr. Montgomery indicated that the concerns of the Opera Towers representatives about a conflict of interest in dealing with the community would be removed if Opera Towers were designated as developer of the parcel.

UNFINISHED BUSINESS (continued)

Ms. Blomquist inquired about Opera Towers' consideration of increasing the capacity of the parking garage for the development in response to an inquiry of the Commissioners. Mr. Thomas Callinan of Opera Towers indicated that there would be approximately 300 to 350 spaces available in the evening. He indicated that the architect for the project had determined that it would be possible to add levels below those proposed but that this would be economically infeasible unless there were an agreement with an entity such as the City that would pay the cost of financing the additional parking. In response to Ms. Blomquist's inquiry, Mr. Callinan reiterated that more levels of parking could be developed but would necessitate separate funding. In response to President Wexler's inquiry, Mr. Callinan indicated that there would be 250 spaces of parking for the retail, commercial, and office uses which would be closed in the evening and these would be available. In addition, he anticipated that approximately 15 to 20 percent of these purchasers would not have automobiles, thus 300 to 350 spaces would be available for Civic Center parking in the evening.

In response to President Wexler's request, Mr. Richard Scott of PTA came forward and indicated he would comment on new developments with the PTA proposal. Mr. Scott indicated that PTA had affiliated with the firm of Morse-Diesel for construction management and as contractor for the development. He noted that Mr. A.J. Lirot of the firm would be responsible for the development of the site. He stressed his belief that PTA had the best development team available. Mr. Scott also indicated that PTA had made a commitment to the Filipino community that complete reimbursement would be made to the creditors and investors of PCTC. He noted that PTA had a contract with PCTC which provided for a payment of \$620,000 in three installments. In addition, the agreement provided the investors with an ownership opportunity in the development. Mr. Scott indicated that the \$620,000 would be paid to PCTC regardless of whether the \$120,000 on deposit with the Agency was returned to PTA. He noted that a total payment would be made to the Filipino community of \$850,000 if they waived any ownership interest in PTA. Mr. Scott noted that PTA had an agreement with Mr. Esclamado of the Philippine American Council who confirmed this statement adding that PTA will also cooperate in allowing the Philippine-American Council to lease or purchase 20,000 square feet in the center and provide 4000 square feet of space for cultural identification in the center itself. This space would be rented at the rate of \$1 a year for 50 years.

Mr. Scott indicated that PTA's proposed development provided for the mixed uses of commercial office and residential which were believed to be the best use of the site. He also stressed their belief that PTA could have construction underway before any alternative development proposal could be started. This was because the architectural drawings were complete and the technical studies and tests of the site had already been prepared. Mr. Scott also noted that the proposal provided ample parking for the area and requested that the Commission designate PTA as developer of this site in accordance with the recommendation of Western Addition Project Area Committee (WAPAC) and Agency staff.

Mr. Lirot indicated that Morse-Diesel was one of the major builders in the country which had been involved in nearly \$1 billion annually in construction. He noted that Morse-Diesel also provided mortgage monitoring for most of the major financial institutions in the country. This service averages about \$100 million a year. The firm had also participated in construction of the highest building in the world which was constructed in less than 24 months. He indicated that these issues were brought to the Commissioners' attention because he understood there was concern about the amount of vacant space in San Francisco.



UNFINISHED BUSINESS (continued)

He stressed that PTA would be able to complete its project expeditiously as a result of the construction teams' expertise. He noted that one of the joint venture partners had worked on the Golden Gateway Center and suggested that Mr. Gene Pollard of the Perini Corporation comment on its construction activities. He indicated that in the PTA development, Perini would act with Morse-Diesel in a joint venture for the management and construction of the project. He indicated that the firm would also work closely with the team's architects, Whisler-Patri, during the design phase which would enable them to organize, estimate, and plan the construction. He noted that the firm wished to participate in this development because it was similar to what it had done in the Golden Gateway. He also believed this was a suitable use for the area.

Mr. Piero Patri, Whisler-Patri Associates, indicated that his firm was the architect for the development. He introduced his partner, Mr. Bud Whisler, and other members of their architectural firm. Mr. Patri commented on the appropriateness of the land use for the site. He indicated that as planners and architects, his firm strongly supported a mixed use of shops, restaurants, banks, offices, and residential units, because this site represented a transition zone between the Civic Center and the adjacent residential uses. He referred to a City zoning map noting the zoning of commercial uses along Van Ness Avenue and residential along Franklin and Gough Streets. He stressed that the heavy commercial activity on Van Ness Avenue reinforced the firm's belief that the proposed mixed uses for this site were the most appropriate. Mr. Patri also referred to the Western Addition Redevelopment Plan noting that although it provided for residential in the area, the primary use was for commercial development. He summarized that all applicable land use controls favored commercial uses for this site and he believed that this was the primary reason that the Agency staff had recommended selection of PTA development. Mr. Patri referred to the circulation pattern for the site noting that it is served by the freeway and surrounded by one-way streets. It also provides the only legal truck route for the area and is the gateway to the Civic Center. He stressed that this traffic access is ideal from a commercial viewpoint, but made the parcel less desirable for residential use. He referred to traffic and noise studies required by the City which had been completed by his firm. These studies indicated that the City was very concerned about the noise levels if there were residential uses for the site. Mr. Patri noted that the condominium residential units that were included would be served by restaurants and other compatible use which provided evening and weekend activity for the area. These units had been carefully engineered and designed to minimize the traffic and noise impact. He also stressed that the development would provide approximately 800 spaces of parking to serve uses in the Civic Center area. Mr. Patri noted that Mr. Esclamado would discuss the specifics of the proposed Filipino community center but indicated that his firm had been looking into use of the commercial space, including availability of ballroom space and banquet rooms. He also noted that the 4,000-square-foot cultural center would be completed by the developer to the tenants' standards, including lights, partitions, and carpeting. Mr. Patri expressed the belief that the PTA development team had an excellent project and urged the Commissioners' favorable consideration of the proposal.

Mr. Axelrod indicated that the question of conflict of interest with Opera Towers was of concern to PTA. He believed that the contract between PTA and PCTC was a binding agreement and, therefore, any discussions between Opera Towers and PCTC would constitute a conflict of interest. He indicated that

UNFINISHED BUSINESS (continued)

submittal to the shareholders' documents reflecting the vote taken at the meeting of June 9, 1978 indicated the binding nature of this agreement. He noted that this was further substantiated by a legal opinion from Charles Stuhr which reaffirmed that this was a binding agreement. He believed that the Opera Towers offer of \$325,000 was an attempt to interfere in PTA's contractual relationship with PCTC. He referred to the agreement noting that it provided that until PTA finances and develops the project, the agreement remains in force. Mr. Axelrod suggested that Mr. Allan Harris of Farella Braun & Martel comment on the position of the creditors of PCTC in this matter.

Mr. Harris indicated that he was the attorney for Whisler-Patri Associates which is a creditor of PCTC. He also represented the consultants that worked with Whisler-Patri during the initial design of the project. An amount of approximately \$100,000 is owed to these consultants by PCTC. The second largest creditor who has obtained a judgment against PCTC is Baker and McKenzie a law firm that had been involved in the project. He expressed the belief that the creditors of PCTC were concerned about the decision the Commissioners plan to make on development of this parcel, since it will affect their opportunity to be paid for the debts owed to them. He indicated his support for the PTA proposal because it achieves both a repayment of the PCTC creditors and provides reimbursement of judgment creditors and note holders of PCTC. In addition the PTA proposal also potentially provides \$337,000 for PCTC shareholders once the creditors have been paid off. He expressed concern that the Opera Towers proposal failed to provide funds to reimburse anyone but the PCTC shareholders. Mr. Harris stressed his belief the approval of the Opera Towers proposal would almost guarantee litigation over distribution of the \$325,000. He indicated that his firm would contest any plan that favored other creditor's claims or a proposal that would transfer funds to PCTC's noteholder at the expense of the creditors. He also expressed the belief that using the Agency as an intermediary for fund distribution would involve the Agency in the legal issues concerning a "gift of public funds". Mr. Harris stated that if the PCTC shareholders received funds directly which should be distributed through the corporation and made available to creditors of PCTC, the individual would be exposing themselves to personal liability for the debts of PCTC. He noted that there may be other legal ramifications from an award of the site to Opera Towers. He noted that these issues were ones that he believed the Commissioners should consider before they took any action.

Ms. Shelley inquired if Mr. Patri would comment further on the need to mitigate the impact of traffic on this site. She recalled that he had indicated that traffic and noise pollution would be a problem for the development of housing units. Mr. Patri indicated that since office buildings were generally sealed off from the outside and airconditioned, the air in the building would be purified and the noise minimized. He indicated that in a residential development it was generally necessary to provide costly accoustical treatment because people wished to have access to outdoor spaces. He added that balconies and sliding glass doors prevented sealing the building. Ms. Shelley inquired if the mitigation measures that would be necessary would include changes in the surrounding environment, or if these would be largely within the housing construction. Mr. Patri indicated that mitigation measures could be worked in both ways. Ms. Shelley then inquired if Mr. Axelrod believed that PTA had an agreement with PCTC which insured or provided a right to develop the site. She indicated that to her knowledge, the Agency had not designated PTA or any



UNFINISHED BUSINESS (continued)

development team for the project. Mr. Axelrod indicated his belief that the contract between PTA and PCTC transcended any negotiating right that the Commissioners might grant to Opera Towers. He believed that the contract was binding until there was some legal decision that indicated the contract was no longer in force.

Ms. Shelley inquired if Mr. Axelrod believed that PTA had essentially the right to receive some monetary reimbursement for the PCTC investment. She expressed concern that there may be some misunderstanding that PCTC had an actual right to develop the parcel and indicated that only the Commission had the ability to grant development rights to the site. Mr. Axelrod recalled that in November 1977, the Commission had made a commitment to develop a program for the site which would provide the PCTC investors with an opportunity to be reimbursed. He reiterated the belief that Opera Towers' attempt to reimburse PCTC investors interfered with PTA's contractual relationship. Ms. Shelley indicated her understanding that the contractual relationship was between PTA and PCTC and not between either of those entities and the Agency and Mr. Axelrod concurred. Ms. Shelley inquired if Agency General Counsel Leo E. Borregard believed that the question raised by Mr. Harris about the judgment creditors presented a serious legal problem which would inhibit distribution of the \$325,000 to the Filipino investors. Mr. Borregard indicated that there was some legal question on this assertion, however, unlike a traditional debt owed by a creditor, there was no legal obligation from either the Agency or Opera Towers which would determine how the money would be distributed.

Mr. Glickman inquired about the joint venture of the Perini firm and Morse-Diesel. Mr. Pollard indicated that if PTA were granted exclusive negotiating rights for the parcel a joint venture between Perini and Morse-Diesel would be formed and they would act as construction consultants and contractors. Mr. Glickman inquired if they had any contractual relationship with PTA at this time, and Mr. Pollard answered negatively. In response to Mr. Glickman's inquiry, Mr. Pollard noted that the Perini and Morse-Diesel firms would act only in the role of construction manager and contractor and not in an equity capacity. Mr. Lirot indicated that Perini and Morse-Diesel firms had submitted a letter of intent to act as joint venture partners in the development. Mr. Glickman commented that both firms had excellent development credentials but that he had had the impression that they were involved in the joint venture. He noted that as the contractors Perini and Morse-Diesel would not have a contract with PTA to provide funding, but would only enter into a contract to perform certain work. Mr. Lirot confirmed this understanding.

Mr. Lee asked about the statement made by Mr. Harris that litigation would be brought against the Agency. Mr. Harris noted that his statement had resulted from the understanding that the Agency would be a mediary in distributing the \$325,000 and that such litigation would result from the method in which this distribution was made. He reiterated his belief that the Agency would have legal exposure if it were involved in such payments.

In response to Mr. Glickman's inquiry, Mr. Patri indicated that the plans originally prepared by his firm for the parcel had approximately 115 residential units. As presently redesigned, the development would now have 88 condominium units. Mr. Glickman inquired about Mr. Patri's comments that commercial usage was more desirable for the site. Mr. Patri indicated that both the latest zoning map which had been prepared within the last two or three months, as well as the Planning Commissions' Residential and Industrial Study

UNFINISHED BUSINESS (continued)

prepared in July 1976, suggested commercial use of this area. He also noted that this use was reflected in the Redevelopment Plan for the area. Mr. Glickman indicated that there had been a number of changes in the Van Ness Avenue area within the last two years and asked Mr. Patri to comment on the changing use of the Van Ness corridor and the fact that condominium development had been particularly successful in the area. Mr. Patri indicated that there were few residential sites available in the city and that there did appear to be a continuing demand for condominiums. He reiterated his belief that the Van Ness corridor should remain a strong commercial area with housing more appropriately in the Franklin-Gough area. Mr. Patri stressed his belief that on Van Ness commercial uses were being reinforced. Mr. Glickman commented that there was a great deal of commercial space available in San Francisco and that he was concerned about residential uses being provided wherever possible. He noted that it appeared both the City Planning Code and Redevelopment Plan provided sufficient flexibility to allow construction of housing on the site and that he believed it was important to serve the housing needs of the city's residents.

In response to Mr. Glickman's inquiry, Mr. Patri concurred that there was a great need for housing in the city, but noted that his recommended use of the site for commercial was based on a planning evaluation and not a market evaluation. Mr. Patri also noted that considering the cost of construction, including the mitigating factors for noise and air pollution, it was unlikely that middle-income housing could be constructed on the site even using SB-99 financing. Mr. Glickman inquired if a one-bedroom unit selling for less than \$75,000 could be considered middle-income housing. Mr. Patri indicated that this was a marketing question.

President Wexler recalled that at the last meeting, PTA had presented a brochure of the Janin firm. He inquired if this construction company was still associated with PTA and about the terms of its relationship with Perini and Morse-Diesel. Mr. Richard Scott indicated that a construction firm was required to be included in the development proposal. However, PTA had the prerogative of deciding upon the firm they wished to use. Mr. Scott indicated that PTA had terminated its relationship with the Janin firm. President Wexler noted on October 30, 1978 letter sent to Mr. F. Mangrobang, a PCTC representative, had just been received. It referred to a May 1, 1978 letter stating "we have made arrangements for a five percent equity interest in PTA for the benefit of PCTC". Mr. Scott confirmed that this letter had not been previously submitted but noted that its provisions had been previously presented. The intent was to provide PCTC with an opportunity to have an equity interest in PTA. Mr. Scott noted that since he did not have authorization from his development team to issue such a letter, he indicated to PCTC that he would use his best efforts to make them a shareholder in PTA. In response to President Wexler's inquiry, Mr. Scott indicated that the team had not made this authorization, and that it was immaterial if PTA was not granted development rights to the parcel.

President Wexler observed that the Commissioners were attempting to ascertain the issues involved in granting development rights for this parcel and suggested that a letter of such importance should have been provided to the Commissioners earlier. He asked if PTA had any other outstanding arrangements, and Mr. Scott responded that it was unusual not to confirm such an arrangement until it was known that PTA would be awarded the development rights. He noted that his offer to PCTC was conditioned on their waiver of a stock interest and acceptance of a cash compensation. President Wexler again inquired if there were other offers or arrangements that PTA had entered into or proposed to enter into about which the Commissioners had not been informed. He expressed

the belief that such information should be provided before the Commissioners voted on the matter. Mr. Scott expressed the belief that the agreement made no difference to the Commissioners.

Mr. Wexler indicated that the Commissioners would like to have such information and make their own decisions as to its relevancy. Mr. Scott noted that there were no other arrangements. President Wexler noted his understanding that PTA had previously proposed renting 1,500 to 2,000 square feet of space to PCTC at market rate. It now appears that PTA will make 4,000 square feet of finished space available at a rental of \$1 a year. Mr. Scott confirmed this understanding. President Wexler inquired if PTA were not awarded the development rights would they have an obligation to pay money to PCTC or any other Filipino investors, lenders, or creditors. Mr. Axelrod indicated that if PTA were not awarded the development rights and another developer were granted these rights and completed the building, then PTA would have no obligations to PCTC. President Wexler asked if the Commissioners were to reject the PTA proposal whether there would be any monetary obligation to the PCTC investors, and Mr. Axelrod indicated that there was none. President Wexler clarified his understanding that the PTA obligation was entirely contingent upon that group having the site awarded for development, and Mr. Axelrod indicated that this was correct. President Wexler asked if PTA were awarded the site and could not complete the development would they have an obligation to the Filipino investors, and Mr. Axelrod indicated that the reimbursement agreement required payment of one-third of the sum at the time of the construction; however, the payment was entirely contingent upon obtaining the financing and being able to proceed with the construction. Mr. Axelrod confirmed President Wexler's understanding that the Filipino investors and creditors would not receive any money unless PTA was able to construct the development. President Wexler then asked if PTA intended to bring legal action if the Agency, in conjunction with another developer, should one be designated, attempted to pay Filipino investors, lenders, or creditors the money which they had lost through their investment effort. Mr. Axelrod indicated that there were two distinct groups which had been involved in the PCTC development effort and these were the noteholders who were the creditors and the shareholders. He did not believe that any funds should be repaid to the PCTC shareholders until all of the noteholders and judgment creditors were paid. Mr. Axelrod stressed his belief that PTA had executed a binding contract with PCTC and that PTA would be obligated to make the payment as specified in this agreement which reimbursed both the noteholders and the shareholders. President Wexler reiterated his inquiry as to whether PTA and/or the creditors of PCTC would take legal action to prevent distribution of funds to the Filipino people who had invested approximately \$225,000 in a previous attempt to develop the site. Mr. Axelrod indicated that he would need to determine PTA's legal rights in this matter, however, he was certain that the creditors would move to prevent any distribution of funds to the shareholders before they were paid. In response to President Wexler's inquiry, Mr. Axelrod indicated he was not certain PTA would bring litigation if the site were awarded to Opera Towers and PTA no longer had an obligation to pay the Filipino community.

In response to President Wexler's inquiry, Mr. Scott indicated that PTA had a contract which provided for certain payments to PCTC and PTA would have to consider whether it would bring litigation to prevent distribution of the funds. President Wexler then confirmed his understanding that PTA would consider bringing litigation in an attempt to prevent another developer from voluntarily



UNFINISHED BUSINESS (continued)

distributing money to the Filipino community. Mr. Scott indicated that PTA had offered to make the Filipino investors and creditors "whole" and he believed that by awarding PTA development rights, the Agency would be in a position of serving both the interests of the city and the Filipino investors. President Wexler indicated that the decision before the Commissioners concerned selection of the project which they believed best served the needs of the city, although they were also concerned about aiding the Filipino investors and providing space for a cultural center. He stressed that the Commissioners' decision would be based primarily on the optimum land use. He stressed his belief that if the Commissioners' decision were unfavorable to PTA, it was incomprehensible that a developer with no rights to the parcel would consider bringing a suit to prevent another developer from distributing funds to the Filipino community.

Mr. Scott indicated that PTA had acted in good faith to negotiate an agreement with PCTC to repay the Filipino community \$850,000 and that Opera Towers was only willing to set aside \$325,000. He noted that he was unable to state what PTA's legal posture would be because he was uncertain of their obligations to PCTC in the event PTA were not awarded the site. President Wexler indicated that after construction was underway by another developer, there was no realistic possibility that PTA's development would go forward; therefore, he did not believe there could be any obligation of PTA to PCTC. If PTA then considered filing an action to prevent voluntary distribution of money to the Filipino investors, he believed this could only be construed as a punitive measure. Mr. Scott expressed concern that sufficient money be provided to reimburse the noteholders.

Mr. Glickman indicated his understanding that PTA would consider bringing a suit to prevent the Filipino community from being made financially whole in the event PTA were not awarded the site. Mr. Scott again commented that Opera Towers did not appear to provide sufficient funds to reimburse the noteholders. President Wexler indicated that the Agency had been provided with information on the expenditures made in September, which indicated that \$436,000 had been expended by PCTC. He noted that \$120,000 was on deposit with the Agency and this amount plus the \$325,000 to be contributed by Opera Towers would be sufficient to reimburse people for costs incurred in the PCTC development attempt. Mr. Scott indicated that in addition to the judgment creditors listed in the material referred to by President Wexler, there was another possible claim of \$92,000 against PCTC. President Wexler indicated that individual shareholders were not personally liable for the debts of the corporation and that the Agency could not assume responsibility for protecting business creditors who may have rendered services to PCTC, particularly when the creditors were aware they were relying only on PCTC's corporate assets.

Mr. Harris indicated that PTA had taken the position that the investors and those who had performed services for PCTC were creditors with equal standing. He believed that it would only be equitable if all creditors received the same percentage of return on the money they had contributed to PCTC's activities. He also suggested there may be personal liability for these debts by individual and shareholders of PCTC, as a result of the manner in which the corporation's assets had been handled. He noted that at this time no one had sued any individual but actions had been brought against the corporation. He believed that the Commissioners needed to consider the creditors and investors of PCTC as unsecured creditors and share equally in the distribution of any funds. He urged that sufficient money be made available so that all creditors could receive full reimbursement because he believed any other distribution could result in lawsuits involving personal liability and the distribution method.

UNFINISHED BUSINESS (continued)

President Wexler indicated he understood Mr. Harris's position since he represented creditors rather than investors in PCTC. He noted his concurrence with Mr. Borregard's legal opinion that there was no obligation on anyone's part other than PTA to repay funds to any member of the Filipino community. He also noted that PTA's obligations were dependent upon PTA being granted the right to develop this parcel. President Wexler also commented that if anyone wished to voluntarily contribute funds, it would be difficult to find legal grounds to challenge a particular distribution method.

Mr. Harris indicated that he did not wish to stop anyone from paying creditors of PCTC but he was interested in having all creditors paid equitably. He expressed the belief that Opera Towers had been encouraged to make such a payment as part of its development proposal and he did not believe the payment was necessarily voluntary.

Mr. Scott indicated he had discussed the matter of a lawsuit to prevent distribution of the funds if PTA were not selected and that the PTA development team would not take such legal action. Mr. Glickman noted that the Commissioners considered the quality of the development to be a primary factor in selection of a development team. He noted that the experience of the principals in the development should be carefully evaluated. He asked Mr. Scott about his experience as a principal in development in excess of \$5 million.

Mr. Scott indicated that the project would not be built by an individual but would be developed by the team. He noted that other members of his team had had extensive experience with developments of that magnitude. Mr. Glickman indicated his understanding of the contractual relationships for such developments, and, as a result of his experience, he believed that it was the responsibility of one principal to direct a development team; therefore, it was important that the principal in charge be experienced. Mr. Glickman also indicated that he did not consider experience gained in condominium conversions to be comparable to development of a site. Mr. Scott indicated that since 1970, he had been active in real estate and had worked with projects of 150 units or more. He also had been employed by Kaiser-Aetna with responsibility for land negotiations for development of a number of projects, including development of two office buildings both in excess of \$3 million. He also noted that he had participated in two other developments, one for \$10 million, and the other for \$14 million. Mr. Glickman inquired if Mr. Scott had been a principal in these developments, and Mr. Scott answered negatively. Mr. Glickman asked if Mr. Scott had participated in any development from beginning to completion in the role of a principal. Mr. Scott indicated he had worked for large companies but not as a principal. He noted that the development team intended to rely on the expertise of Morse-Diesel for management of the construction.

In response to Mr. Glickman's inquiry, Mr. Montgomery indicated that in the last seven years, he had developed over 600 apartment units, from the acquisition of property through to delivery of the units. He estimated that they were worth approximately \$10 to \$15 million. Mr. Montgomery noted that he had been the developer of these units and not an employee of another company. Mr. Callinan indicated he had 139 units under construction, as well as two other projects which had been designed and would start as soon as building permits were available and that a contractor had been selected for these projects. In addition, he had completed 59 units in Redwood City. He had also recently been selected to build 248 units in San Francisco in the Telegraph Landing area and also 85 units in San Rafael. Mr. Callinan defined use of the



UNFINISHED BUSINESS (continued)

term "selected" as having submitted plans to HUD and having been selected by HUD to build these developments.

Mr. Glickman commented on the relevance of this information since the community would receive reimbursement only if the development was completed. In addition it was in the Agency's interest to have a successful development on the site. Mr. Callinan indicated that there were two other principals in Pacific Union Company who were also experienced.

President Wexler inquired if the PTA representatives could indicate any tenants who they had contacted for occupancy in the development. Mr. Clapp indicated that they had letters of intent from Federal agencies regarding use of approximately 140,000 square feet and State agencies have also reported that they would require 100,000 square feet of space. He noted that both the State and Federal interests had stressed a desire to locate in this area, and this interest had been reconfirmed within the last month and a half. Mr. Clapp indicated that Mutual of New York and John Hancock Insurance Companies had indicated they would make long-term funding available when 30 percent of occupancy was assured. Based on these assurances, Mr. Clapp believed that PTA was assured of funding and of having long-term renters. President Wexler asked Mr. Clapp to clarify whether the State and Federal governments had provided letters of intent or agreements which insured that they would lease the space in the building if it were available. Mr. Clapp indicated that they had received statements of interest because it was impossible to obtain a firm commitment without having control of the property prior to obtaining such binding commitment. President Wexler inquired if the proposal for the Federal building to be constructed on Fourth Street affected the interest in this development. Mr. Clapp indicated the total Federal space requirements were in excess of 350,000 square feet and an interest had been expressed in 140,000 feet in this development.

In response to President Wexler's inquiry, Ms. Sue Lang indicated she had dealt with General Services Administration (GSA) on the Federal interest in the development and that the building on Fourth Street would be intended to provide space for all Federal agencies; however, this building would not be available for five to seven years. Therefore, an occupancy of approximately five to seven years would be projected. President Wexler inquired if the State representatives had taken a similar position, and Ms. Lang answered affirmatively noting that there was about 190,000 to 210,000 square feet of the building which would be available for private use.

Mr. Clapp indicated that there were commercial uses in the building in addition to office space. Mr. Lee inquired if Mr. William Keller was a principal in the PTA team, and Mr. Scott answered negatively noting that there was no relationship between PTA and Messrs. Keller or Donald Katz. These persons had brought the development proposal to PTA's attention but they had no relationship nor was any relationship anticipated with these individuals. In response to Mr. Lee's inquiry, Mr. Scott indicated that the PTA letter of April 28, 1978 had listed all of the person having any association with the project in any way. Although Messrs. Keller and Katz were included in that list there was no relationship between PTA and either of those individuals.

Mr. Esclamado came forward and indicated that representatives of approximately 24 Filipino organizations had submitted speaker's cards, however, they had asked him to speak on their behalf. Mr. Esclamado indicated the Filipino community had always been unified in its desire to build a cultural and trade center

UNFINISHED BUSINESS (continued)

in the city. He noted there was city-wide support for such a center. The Board of Supervisors had expressed this by adopting a resolution in 1969 urging the Agency to assist the Filipino community build a center. He recalled that the community had formed a corporation called the "Philippine Cultural and Trade Center". Conflict had then developed as to whether the development was to be nonprofit or developed as an investment. He stressed that the conflict had never concerned the establishment of a cultural and trade center, but only the method of doing it. He believed the development should have been on a nonprofit basis to provide an ethnic rallying point for the community. Subsequently, PCTC proposed to develop the site as a profit-making venture and at that time the community had decided not to oppose the development. Mr. Esclamado indicated that the record reflected that the principle organizers of PCTC had acted in a questionable manner, and he believed that failure had been inevitable. He indicated his dismay that two of these individuals were now indicating support of Opera Towers. He stressed that the Filipino community was united in support of PTA and alleged that only two individuals of questionable integrity were supportive of the Opera Towers proposal. He noted there were four basic considerations why the Philippine-American Council had supported PTA. Mr. Esclamado indicated that Opera Towers had shown no interest in working with the Filipino community, and on the preceding Monday Mr. Montgomery had asked to speak with him. At that time, Mr. Esclamado reported the Filipino community had committed its support to PTA. Mr. Esclamado noted that a major consideration in supporting PTA was that the people who had invested in PCTC were victims of a proposal to "get rich quick" and would be fully reimbursed by PTA. He noted the \$850,000 from PTA did not include the \$120,000 held by the Agency and that the total of \$970,000 would reimburse all of the creditors and investors in PCTC. He also noted that it would provide for establishment of a cultural center on Van Ness Avenue. Mr. Esclamado indicated he has also considered requesting that a Filipino be permitted to act as a principal in this project but believed that the Agency's criteria for experience in a development of over \$5 million was too stringent for a community person to meet. He noted that none of them had built a multimillion dollar development. Mr. Esclamado urged that the Commissioners consider the difference between the \$325,000 offered by the Opera Towers and the \$850,000 committed by PTA, as well as the commitment by PTA to provide twice the space for the cultural center.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that the proposal of the Pacific Trade Associates (PTA) for development of Parcel 762- A in the Western Addition Approved Redevelopment Project Area A-2 be rejected.

Mr. Glickman indicated that he had made the motion because he believed Opera Towers was the entity most capable of performing in the development of the project.

President Wexler expressed his belief that the Commissioners' were responsible for achieving the best development for the city. He also concurred in Mr. Glickman's opinion that it was essential to select a development team that would best be able to complete the development. He believed that the two issues of an optimum land use and the strongest development team both favored selection of the Opera Towers' proposal. President commented that the residential uses were particularly suitable for this area and referred to the Golden Gateway development, which had successfully incorporated housing development in an area where the uses were predominantly office and commercial. He noted that the PTA development proposal had changed substantially upon each presentation. Such changes generated a concern about the ability of the development team to complete a \$40 million project when it appeared there was difficulty in defining their proposal.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) indicated that Opera Towers had proposed use of the SB-99 financing mechanism and asked when this would be made available to developers in the Western Addition area. Mr. Hamilton indicated that it was available for use in Western Addition A-2 but it had not been used because no developer had proposed use of that mechanism. Mrs. Rogers recalled that the Commissioners had specifically designated the use of SB-99 for the Hunters Point area and inquired if such resolution would be presented when use of the SB-99 funding was contemplated.

Mr. Escalamado inquired who would receive the distribution of funds. President Wexler indicated that that inquiry did not relate to the motion being considered by the Commissioners. Mr. Mangrobang stressed his belief that the Commissioners were obligated to return funds to the investors. He recalled that the Agency had expressed concern about the Filipino community and had postponed making a decision on the development of this property until the developers had finalized their proposals. The Filipino community was now united behind PTA and the Commissioners were preparing to approve another developer.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT THE PROPOSAL OF PACIFIC TRADE ASSOCIATES (PTA) FOR DEVELOPMENT OF PARCEL 762-A IN THE WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2 BE REJECTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Ms. Shelley  
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Escalamado asked the Commissioners to consider serving the interests of the Filipino community by requiring Opera Towers to adhere to the same commitment made by PTA to the Filipino community. President Wexler indicated that the Commissioners would now be considering an action assuring Opera Towers that the Agency would not negotiate with anyone else during a 60-day period. He noted that the community would be reimbursed in a manner to be subsequently decided upon. Mr. Glickman stressed that the Agency would do everything possible to return the money on deposit with the Agency and also the Opera Towers contribution to the people who had lost their money. President Wexler added that he hoped there would be a mechanism developed whereby such distribution could occur without danger of being enjoined by lawsuits from those trying to prevent money from being repaid to the investors.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 212-78 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Ms. Shelley  
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that Mayor George R. Moscone had advised the Commissioners that he was extremely interested and concerned that everything economically practical and feasible be done to assist those in the Filipino community who had lost money in the project and to assure that space would be provided for a cultural center in any project determined by the Commissioners as being in the best interest of the city to be developed. He requested that Mr. Esclamado convey Mayor Moscone's concerns to the Filipino community and Mr. Esclamado indicated that he would do so.

NEW BUSINESS

- (a) Resolution No. 262-78 approving the method of sale and minimum disposal prices for certain parcels approving placement of advertising, and making certain findings and determinations in connection therewith on Parcels 677-B, 779-C and 1129-B, Offering No. 20, Western Addition Approved Redevelopment Project Area A-2.

This action will authorize staff to offer three parcels for residential development in Western Addition A-2 with limited neighborhood commercial use. The price is determined by resale appraisal and is at a fair-market value as concurred in by HUD. The offering requires that development proposals be submitted by February 15, 1979. Developers will be encouraged to use Section 8 subsidies and SB-99 financing will also be made available. Development selection will be based on architectural quality, economic feasibility, financial capacity of the developer, and the ability to proceed with the development expeditiously. The parcels are located on the east side of Fillmore between Sutter and Bush, the north side of Fulton between Fillmore and Steiner, and the corner of south-west Eddy and Divisadero Streets. Mr. Hamilton recommended that the Commissioners may wish to extend the offering date by two weeks to March 1, 1979 to permit additional time for the developers to prepare their proposals. Ms. Blomquist expressed concern about an extension to that time.

MOTION: It was moved by Ms. Blomquist and seconded by Mr. Lee that Resolution No. 262-78 be adopted.



NEW BUSINESS (continued)

Mr. Hamilton noted his recommendation that additional time be provided had resulted from staff's belief that this offering should not be competitive with Offering No. 18 which was due at the same time. Mr. Glickman expressed the belief that disposition of property was one of the most important things the Agency did; however, he believed that staff understood the time needed to schedule such offerings, and he suggested that the Commissioners adhere to the March 1, 1979 closing date as recommended by staff. President Wexler inquired if the offering included a parcel on the southwest side of Eddy and Divisadero Streets, and Mr. Hamilton responded affirmatively.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Glickman that the motion to adopt Resolution No. 262-78 be amended to provide for a March 1, 1979 close of offering date.

Ms. Shelley indicated that she had made this motion in deference to staff's judgment. Ms. Blomquist expressed her belief that development in the projects took too much time and she believed the close of the offering on February 9, 1979 should be adhered to.

ADOPTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MR. GLICKMAN THAT RESOLUTION NO. 262-78 BE ADOPTED AS AMENDED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk  
Mr. Glickman  
Ms. Shelley  
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist  
Mr. Lee

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that the resolution now being considered was amended to provide for an offering closing date of March 1, 1979.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-78 BE ADOPTED AS AMENDED.

- (b) Consideration of occupancy status, Victorian Square, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that in response to a request for information on the status of the eleven buildings in Victorian Square, staff had provided information by memorandum. He indicated that there are four buildings remaining to be designated for conveyance and it was anticipated that disposition of these would be before the Commission by the end of the year. Ms. Blomquist expressed concern about a vacant building that has been rehabilitated in Victorian Square. She was particularly concerned about the possibility this building would be



NEW BUSINESS (continued)

vandalized and she inquired if the buildings could be conveyed more expeditiously so they could be occupied as soon as rehabilitation was complete.

Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated that the developer designated for acquisition of that building had been unable to proceed with the purchase. A recommendation would soon be made to the Commissioners for its conveyance. Ms. Blomquist expressed concern that there appeared to be four empty commercial spaces, and Mr. Suttle indicated that these were in buildings which had been conveyed to owners and they are responsible for the buildings. Mr. Suttle stressed that staff was making every effort to have the buildings occupied as rapidly as possible. He indicated that the purchasers of these properties had small businesses and needed assistance in proceeding. In addition, it is necessary for them to rely on obtaining loans which often took an excessive amount of time to complete. In response to Ms. Blomquist's inquiry, Mr. Suttle indicated that the Agency was negotiating with Mr. Tony Taylor for one of the buildings. He confirmed her understanding that Mr. Tony Taylor was next on the list provided for the Commissioners' information on March 28, 1978. Mr. Taylor was also recommended by WAPAC and the Victorian Square Association.

- (c) Consideration of status of the Rescalvo/O'Conner parcel located at Ellis and Franklin Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton reported that the developers of this parcel have placed documents for closing the purchase of this property in escrow, and it is anticipated that it will close within a few days, after which construction will soon start. In response to Ms. Blomquist's inquiry, Mr. Quintin McMahon, Chief of Real Estate, indicated that the developer had provided evidence of financing on schedule in May 1978 and had obtained a building permit in September. Ms. Blomquist inquired if the developer had not been unusually delayed, and Mr. McMahon answered negatively noting he had adhered to the development schedule.

- (d) Resolution No. 263-78 authorizing the Executive Director to enter into an owner-participation agreement with the Salvation Army for Parcel 3752-B, 360 Fourth Street, Yerba Buena Center Approved Redevelopment Area.

Authorization is requested to execute an owner-participation agreement for the renovation of Parcel 3752-B at 360 Fourth Street. This property was originally the Southern Police Station which was to have been demolished. Subsequently it was found to have architectural and historical significance and will now be rehabilitated by the Salvation Army for housing. It is anticipated that the renovation process will begin early in 1979.

Ms. Blomquist inquired about the adjacent parcel on the corner of Fourth and Folsom Streets which the Salvation Army was to have developed. Mr. McMahon indicated that the Commissioners had extended the performance dates for that development, and he believed the developer had conformed with these; however, he would check on the matter and advise Ms. Blomquist.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 263-78 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 264-78 approving the expenditure of funds to effect the temporary move of the shipping and receiving department of Rochester Big and Tall Clothing Company in connection with the disposition of the Mercantile Building, Yerba Buena Center Approved Redevelopment Project Area.

An expenditure of an amount not to exceed \$15,000 is requested for the temporary move of the shipping and receiving operation of the Rochester Big and Tall Clothing Company from 700 Mission Street to 676-678 Mission Street. This move will allow the developer of the Mercantile Building, T/W Associates, to proceed with renovation of the building. The cost of the temporary move includes \$10,380 for packing, \$900 for personnel to supervise the movers, \$2,500 for installation of a communication system, and \$800 for installation of a burglar alarm. Mr. Hamilton recommended approval.

President Wexler inquired why it was necessary to carry out the move on a weekend, and Mr. Wayne DeHart, Supervisors of Residents and Business services, indicated that the tenants, Rochester Big and Tall Clothing Company, received goods at this facility for its stores in Sacramento, San Jose, Fresno, and Concord, as well as San Francisco. To maintain normal shipping and receiving operations, it is necessary for the facility to be in operation during normal working hours. The weekend move minimizes the time loss for the company. In response to President Wexler's inquiry, Mr. DeHart indicated that the shipping is done Mondays through Saturdays, but since the move would require two days, it would be started on Saturday morning and completed by Sunday night. This necessitated the firm's losing only one day of operation. President Wexler inquired if the move could be done on Sunday and Monday when only one day of overtime would have to be paid. Mr. DeHart indicated that Monday was one of the major shipping days and it would be difficult for the company to close its shipping operation on either Monday or Friday.

Discussion followed on the merits of arranging the move for another day. Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that the moving bid of \$10,380 included packing and moving costs. President Wexler indicated that since time and one-half would have to be paid on Saturday and double time on Sunday, it appeared that a substantial savings of \$3,000 to \$4,000 could be realized if the move were done during the week. President Wexler asked staff to reevaluate the proposed move and see if there was a way to accomplish the move during the week without seriously inconveniencing Rochester Big and Tall Clothing Company. Mr. DeHart indicated that the move would require having personnel from Rochester supervise the moving activities. The people would not be free during business. If supervision were required of the moving contractor, this would increase the charges.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-78 BE ADOPTED.

- (f) Resolution No. 265-78 approving extension of performance dates under the terms of agreement for disposition dated June 22, 1977, in connection with Parcel A-2, located at the southwest corner of Cargo Way and Mendell Streets, India Basin Industrial Park Approved Redevelopment Project Area.

An extension of time is requested for the developers of a 37,000-square-foot

building to be used by the Homestead Ravioli Company. The company was required to submit preliminary plans by December 1, 1978 and evidence of financing by May 1, 1979. This extension is necessary to provide the redevelopers with an opportunity to redesign the building. This redesign is necessitated by construction bids submitted at an amount 50 percent in excess of the firm's budget.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-78 BE ADOPTED.

- (g) Resolution No. 266-78 approving a letter agreement for building inspection services for the period November 1978 to October 1979, all redevelopment project areas.

Authorization is requested to execute a letter of agreement with the Department of Public Works for the services to one full-time building inspector, one electrical, and one plumbing inspector on an as-needed basis. These services are in an amount not to exceed \$5,000 and will provide the inspections required by HUD for all structures proposed to be retained and rehabilitated.

In response to Mr. Lee's inquiry, Mr. William McClure, Chief of Rehabilitation, indicated the Agency did not have such inspector on staff and that this agreement would continue the use of the City inspectors. Mr. Lee inquired if the quality control of inspection services had been improved, and Mr. McClure indicated the inspectors were being rotated in accordance with Mr. Lee's suggestion. Mr. McClure indicated that Mr. Robert C. Levy of the Bureau of Building Inspection, intended to rotate all inspectors on a two-year basis.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 266-78 BE ADOPTED.

- (h) Resolution No. 267-78 rejection of all bids for Site Improvement Contract No. 19, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton recommended rejection of two bids received for site improvement work in the Phase III area of Hunters Point. The bids exceeded the engineers' estimate by over 30 percent, and it is recommended that the contract be readvertised in anticipation of obtaining a lower bid. The scope of services requires disposal of excavated material, and it is anticipated that placement of such material can be made within a mile of the project area, which could substantially reduce dumping fees. Mr. Hamilton indicated that the contract could be readvertised without delaying the marketing of either land or construction of the housing.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-78 BE ADOPTED.

- (i) Mr. Hamilton indicated that the housing development for the Stockton/Sacramento project is being modified to comply with HUD requirements and also revised to make the project financially feasible. At this time the staff, project architects, and structural engineers are working with the contractor to determine the magnitude of costs attributable to the new HUD requirements. Mr. Hamilton stressed that staff is committed to seeing that the project is completed and would advise the Commissioners on progress. In response to Ms. Blomquist's inquiry, Mr. Robert Reece, Assistant Area Director for



NEW BUSINESS (continued)

Western Addition Area A-2, indicated that late in June, HUD had requested that the requirements of the new Uniform Building Code be imposed. These requirements were more restrictive than the code requirements under which the building was designed. Ms. Blomquist inquired about the development schedule, and Mr. Reece indicated that he would have a better knowledge of the time required by the end of the week.

Mr. Hamilton indicated that he planned to schedule meetings with HUD to determine if the requirements could be relaxed. Ms. Blomquist also inquired if the Agency was attempting to obtain additional funds from HUD, as well as a relaxation of its standards. Ms. Blomquist suggested that the Agency may consider approaching Congressional representatives to expedite the decision-making for the project. Mr. Hamilton indicated that Congressman Phillip Burton and others had been helpful; however, the housing will have to meet the statutory limit for unit costs to qualify for HUD financing.

In response to President Wexler's inquiry, Mr. Reece indicated that the structural engineers and architects for the project were also evaluating methods for reducing costs. The project is presently significantly over budget. Ms. Blomquist indicated her understanding that the project was estimated at \$9 million and if the additional code requirements of approximately \$1 million were deleted the HUD funding limit of \$6 million meant that \$2 million would have to be deleted from the construction costs.

President Wexler expressed the belief that every possibility should be exhausted to resolve the matter and get the project under construction. Mr. Hamilton concurred. In response to Mr. Lee's inquiry, Mr. Hamilton noted that he was to discuss the matter of the code requirements with HUD's Director. Mr. Reece noted that extensive discussions had been held at a staff level, but it was now believed such discussions needed to occur between Mr. Hamilton and the HUD Director. Mr. Hamilton indicated that a further report would be made on this matter. In response to President Wexler's inquiry, Mr. Hamilton indicated that the contractor was evaluating costs to determine if the \$2 million difference between the statutory limits and the present cost estimates could be reduced. President Wexler indicated that he had spoken with the Director of City Planning Department and he believed that sufficient information had been made available which responded to the inquiries raised in this resolution. Ms. Blomquist indicated that Planning Commissioner Charles Starbuck had not received a response and suggested that a letter be sent on this matter. Mr. Hamilton indicated that staff would do so.

- (j) Consideration of status on the development of Parcel J-1 by Vida Foundation, Diamond Heights Approved Redevelopment Project Area.

This matter concerns a request from Vida Foundation for the Agency to proceed with an amendment to the Redevelopment Plan to permit development of subsidized housing on Parcel J-1. The Vida Foundation's funding application had been filed with the California Housing Agency (CHFA) and is currently being evaluated. Vida Foundation had anticipated securing HUD Section 8 funding for the development; however, as a result of topographical problems, HUD has rejected the project. Mr. Hamilton indicated that staff did not believe that it was advisable to proceed with the Plan amendment until there was an assurance that development would proceed. Staff, however, has advised the Vida Foundation that it will write either HUD or CHFA stating that a Plan change would be instituted as soon as a financing commitment was granted.

NEW BUSINESS (continued)

Mrs. Maria Galatti of the Vida Foundation indicated her disagreement with the statements made by Mr. Hamilton. She noted that several months of negotiations with CHFA, Vida Foundation had received approval of its preapplication for development of 20 two-bedroom, one-bedroom, and studio units; however, CHFA had informed her that the Agency staff would not permit a development of more than 16 units on the site. On July 27, 1978, CHFA had invited Vida Foundation to proceed with the second step in securing mortgage financing subject to approval of the Agency. On August 2, 1978, the Agency wrote to CHFA indicating that 16 units was the maximum development permitted and that the Foundation's application did not comply with Agency height, bulk, and density requirements. Mrs. Galatti indicated that Vida Foundation's proposal submitted to HUD missed selection by 6/10 of one percent. The Vida Foundation proposal was one of four selected for final review from among 18 other submittals. She believed that their proposal ranked the highest in design and second in location and that the chance of selection would have been improved had the proposed use been permitted on the site. Mrs. Galatti requested permission for Vida Foundation to apply for financing for 16 to 20 units and also be granted flexibility to include studios and one-to-two-bedroom units. She believed Vida Foundation needed information on guidelines for building housing for low-and moderate-income elderly and handicapped persons. Mrs. Galatti indicated some of the differences in requirements for such housing were between the San Francisco Planning Code and the requirements of CHFA and HUD. She requested that the Commissioners direct staff to commence work necessary to amend the Diamond Heights Redevelopment Plan to permit subsidized housing on the parcel. She also requested that staff provide Vida Foundation with building guidelines for subsidized housing for low-and moderate-income elderly and handicapped persons. Finally, she requested that the Agency's letter to CHFA rejecting Vida Foundations's proposal be rescinded. She expressed the hope that Vida Foundation with this support would be able to develop 16 to 20 units by fall of 1979.

President Wexler indicated that Vida Foundation's three requests would be considered separately. In response to Mr. Hamilton's request, Mr. Thomas Conrad, Chief of Planning and Programming, came forward and indicated that Mr. William Rogina, Chief of Assisted Housing in the Area Office of HUD, had indicated that the Redevelopment Plan change did not influence the decision on Vida Foundation's Section 8 application. Mr. Rogina had indicated that the location of the parcel in a redevelopment project was a favorable feature because the Agency controlled the site. In response to President Wexler's inquiry, Mrs. Galatti indicated her understanding that the ranking of the projects by HUD's staff was done by several persons and she believed that those reviewing the application had considered the long-range use of the site and were also concerned that a Plan change was not guaranteed by the Agency.

In response to President Wexler's inquiry, Mr. Hamilton indicated that staff would begin the amendment processes if that made a difference in approval of the application. President Wexler indicated that Mrs. Galatti believed that the Plan change would be an influential factor in considering her proposal; however, it required a great deal of time, effort and expense. and should only be undertaken when it is needed. Mr. Conrad indicated that HUD would not have another offering of Section 8 units until February 1979 and suggested that Mrs. Galatti and he investigate the possibility of securing CHFA funding. Mrs. Galatti commented that a Mr. Patitucci, who is Director of CHFA, would not accept Vida Foundation's proposal until the



NEW BUSINESS (continued)

Agency letter rejecting the proposal was rescinded. Mr. Hamilton indicated that staff had supported Vida Foundation's attempts to secure financing, and he did not believe that there was any disagreement in the principle of providing low-and moderate-income housing for the elderly and handicapped. He indicated that support for this project had been evidenced by both the Agency and the Board of Supervisors. President Wexler asked for specific information that could be obtained which supported the contention that HUD had ranked Vida Foundation's application lower because of the need for a Plan change. Mrs. Galatti indicated that HUD did not provide such information in writing but that she believed this was the factor which had resulted in the Vida Foundation proposal not ranking as the highest proposal. President Wexler suggested that Vida Foundation representatives and staff attempt to obtain information from HUD on this aspect.

Ms. Shelley inquired if HUD ranked experience in development as a factor in selecting developments, and Mrs. Galatti answered affirmatively. She noted that there was a category called "previous HUD participation" so that a developer who had successfully developed HUD projects received a higher ranking than one with no experience. In response to Ms. Shelley's inquiry, Mrs. Galatti noted that this was apparently a factor in the selection and the developer who was ranked first received two additional points.

In response to President Wexler's request, Mr. Conrad indicated staff had supplied Mrs. Galatti and her architect with guidelines applicable for the development. He noted that until the proposal was designed to indicate the number of units and the type of financing to be utilized, it would be difficult to provide specific information. In response to Ms. Blomquist's inquiry, Mr. Conrad expressed the opinion that guidelines had been provided to Mrs. Galatti; however, there was additional information which could be made available. Mr. Redmond Kernan, Deputy Executive Director, indicated that the material provided to Mrs. Galatti indicated the information needed to prepare a development on the site and also indicated the building density and setbacks required. There are no special standards applicable to elderly or handicapped housing for the site. In response to President Wexler's inquiry, Mrs. Galatti indicated that the guidelines which were needed were those incorporating all the requirements for elderly and handicapped housing. Mr. Kernan indicated there is no distinction in the Agency guidelines for development between those for market-rate units and handicapped housing. He believed that Mrs. Galatti had found the development guidelines for Diamond Heights to be too restrictive for the development Vida Foundation proposed to build. He inquired if Mrs. Galatti had standards for handicapped design considerations, and she answered affirmatively. Mr. Kernan again stressed his belief that Mrs. Galatti had found the guidelines for development in Diamond Heights too restrictive, and Mrs. Galatti concurred. Ms. Blomquist indicated that she had served on the Commission for two years and had not previously heard of requirements for height, bulk, and density in development. Mr. Hamilton indicated that no one had previously dispute these requirements which were clearly specified in offerings and in the Redevelopment Plans. Mr. Kernan recalled that variances from such requirements had been brought to the Commissioners for approval. In response to Ms. Blomquist's inquiry, Mr. Kernan indicated that variances from height and density requirements did not relate to the proposed change of the Redevelopment Plan. President Wexler indicated his understanding that the building requirements for Diamond Heights created a problem for Mrs. Galatti, and he suggested that staff meet with the developer to see if these issues could be resolved.

NEW BUSINESS (continued)

Mrs. Galatti then requested that the Commissioners consider rescinding the letter to CHFA rejecting Vida Foundation's proposal. She noted that the Agency had rejected it on the basis that it was not in compliance with the requirements for the project. Ms. Blomquist indicated that this was the primary reason for her request for a status report on the Vida Foundation. She indicated she had accidentally met Mrs. Galatti, learned of this problem, and expressed her dismay that staff had not brought the matter before the Commission for consideration. Mr. Kernan noted that Ms. Blomquist's remarks did not reflect an understanding of the issues. He noted that the Foundation's proposal had been submitted to CHFA by Mrs. Galatti without any review by the Agency's staff, and this proposal did not comply with the Redevelopment Plan requirements for the project. He noted that subsequently she had had the development redesigned and with staff approval had submitted that proposal for 20 units of a lesser room count to HUD for review. Mrs. Galatti had just now learned that this application had narrowly missed being selected for funding.

Mrs. Galatti asserted that Vida Foundation had worked with the Agency's staff prior to submitting its proposal to CHFA and staff had given a verbal approval to this proposal. Mr. Conrad stated that this was untrue. President Wexler suggested that it appeared that the proposal to CHFA was not in conformity with the guidelines for the project, and it also appeared to him that the staff had acted properly in advising CHFA that it did not meet the development requirements of the project. He believed the issue concerned whether the Agency wished to make a change in its requirements and noted that if the developer wished the Agency to consider a variance, then this matter should be brought before the Commissioners after evaluation with the staff. Mrs. Galatti believed that the Agency should establish guidelines for elderly and handicapped housing in redevelopment areas.

President Wexler indicated that this was an appropriate matter for Mrs. Galatti to pursue with staff and he urged staff and Vida Foundation to work together in reaching an agreement on how to proceed.

Ms. Blomquist inquired if Mrs. Galatti were willing to work with the staff and noted that if this were unsuccessful, she could bring the matter before the Commissioners. Mrs. Galatti indicated her willingness to proceed in that manner. Mr. Hamilton indicated that he had received a letter from Mrs. B. Lipou, Vice President of the Diamond Heights Community Association, indicating that she had been unable to stay for discussion of this matter and requesting that the Commission take no action on the Vida Foundation's proposal until the Association could comment on the development. Mrs. Lipou expressed concern that the Vida Foundation's proposal would permit development of twice the number of rooms permitted by the Redevelopment Plan for the site.

MATTERS NOT APPEARING ON AGENDA

Resolution No. 268-78 authorizing travel reimbursement for Redevelopment Director applicants.

Mr. Hamilton indicated that authorization is requested to pay for the travel costs to bring three applicants for the Development Director position to San Francisco for interviews.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, THAT RESOLUTION NO. 268-78 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

NEW BUSINESS (continued)

Ms. Berk  
Mr. Glickman  
Mr. Lee  
Ms. Shelley  
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

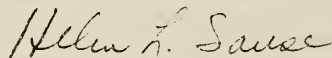
None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an executive session on Friday, November 3, 1978, at 3:30 p.m. The meeting adjourned at 9:20 p.m.

Respectfully submitted,



Helen L. Sause  
Secretary

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MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
14TH DAY OF NOVEMBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of November 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk (joined the meeting at 4:25 p.m.)  
Rubin Glickman  
Melvin D. Lee  
Parree Porter

and the following was absent:

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Dian Blomquist

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Arnold Townsend and Mary Rogers, Western Addition Project Area Committee (WAPAC); Willa Jones, Bayview-Hunters Point Joint Housing Committee; Martha Senger and Niccola Caldararo, Goodman Group; Robert Nurisso, Bronco Investments; Lee Compton, San Francisco Development; R. Gary Hill, court reporter; and Mary Lou Lindsey, Leroy Moore, B. Brinkley, and Mervyn Goodman, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the minutes of a Recessed Meeting of September 25, 1978, a Regular Meeting of September 26, 1978, an Executive Meeting of October 3, 1978, and a Regular Meeting of October 24, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of October 17, 1978 be put over until the next meeting.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated his pleasure in introducing Mr. Parree Porter as the newest Commissioner attending his first public meeting. He indicated that the Commissioners were delighted to have Mr. Porter as a member of the board.
- (b) President Wexler indicated it was appropriate at this time for the Commissioners to compliment the staff on its day-to-day work in the Agency, and on behalf of the Commissioners he extended to them appreciation of the staff's continued good efforts.



REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) A 90-year old Victorian building formerly located at 1759 Sutter Street was moved to 1980 Ellis Street on November 12, 1978 at 1:30 a.m. where it was placed among the other landmark buildings in the Beideman Place Historical District where it will be rehabilitated. The Nichi Bei Kai Cultural Center, a community service institution in the Nihonmachi area will be built on the cleared site.
- (b) Yesterday the Board of Supervisors approved the City's 1979 Community Development Program application which contained the Agency's budget for 1979. He indicated that a summary of the Agency's budget had been placed in the Commissioners' folders showing the funds as approved by the Board of Supervisors. The Mayor's Office of Community Development (OCD) submitted a budget for the Agency of approximately \$13.8 million to the Board of Supervisors and yesterday the Board approved approximately \$11.9 million. The major budget items reduced were the Western Addition Project Area Committee (WAPAC) budget from \$200,000 to \$107,000 and the Bayview North Project from \$815,000 to \$290,000. The Supervisors reaffirmed their intention to continue the RAP/Redevelopment projects for Bayview North and not to defer the project nor substitute a voluntary rehabilitation program, as proposed by OCD. The administrative budget was also reduced by 15 percent, approximately \$744,000. The administrative budget cuts were as follows: \$170,000 in the Bayview North administration budget; \$257,000 in salaries for cost of living increases; \$230,000 in staffing; and \$87,000 in overhead costs. Mr. Kernan indicated that the budget for the Agency as approved by the Supervisors would be provided to the Commissioners.
- (c) Mr. Kernan indicated that the last Agency payday in November falls on the Friday following Thanksgiving when many employees will be taking a day of vacation making an extended four-day holiday. It is recommended that Commissioner approval be granted to release staff pay checks on Wednesday, November 22, 1978, immediately preceding Thanksgiving Day.

MOTION: It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that the November Agency staff paychecks for November 24, 1978 be issued on Wednesday, November 22, 1978.

NEW BUSINESS

- (a) Resolution No. 273-78 approving the method of sale and minimum disposal prices for certain parcels, 714-A(2) and 743(d); approving placement of advertising; and making certain findings and determinations in connection therewith, Offering No. 19, Western Addition Approved Redevelopment Project Area A-2.

This item represents sale of two parcels in Western Addition Area A-2 for development for residential and commercial purposes. The parcels will be sold on the basis of a predetermined price, with selection of proposals to be received by March 19, 1979 based upon criteria regarding architectural quality, economic feasibility, financial capacity, and, all other aspects being equal, special consideration will be given to Certificate of Preference holders. The first parcel consists of 12,350 square feet, located at the



NEW BUSINESS (continued)

northwest corner of Van Ness Avenue and Myrtle Street is for a price of \$250,000. The second parcel of 22,280 square feet, located at the northwest corner of Van Ness Avenue and Turk Street, is for \$449,000. Approval of this offering also authorizes expenditure of a maximum amount of \$4,350 for advertising in various newspapers and real estate publications, as well as on radio.

Mr. Glickman inquired if a date had been set when the offering would be closed, and Mr. Kernan responded that the proposals were due by the close of business on March 19, 1979. Mr. Glickman inquired if selection would be made by staff on March 20, 1979 and Mr. Kernan responded that following receipt of proposals on the 19th, the proposals would be evaluated and reviewed by staff and WAPAC, and that this process should be completed within forty-five days.

At this time, Ms. Berk joined the meeting at 4:25 p.m.

Mr. Kernan indicated that after evaluation the proposals and staff's recommendations would be forwarded to the Commissioners. Mr. Glickman indicated that he believed these two parcels would receive considerable attention from developers and inquired regarding the requirements for architectural drawings at the time of proposal submittal. Mr. Edmund Ong, Chief of Architecture, responded that normally a floor plan was required, as well as a cross-section of the building showing its height, and one elevation indicating the character of the design and the type of construction. Selection is to be made on the basis of the submission. Mr. Glickman then asked about Agency requirements that developers comply with their submission drawings which were the basis of awarding the site, and Mr. Ong indicated that the original submission formed the basis for staff's evaluation of the developers' design drawings, unless there was some strong justification for change from the original plans.

Mr. Glickman indicated his concern that developers often submit drawings, including floor plans and exterior elevations which are public relations-type drawings, in order to secure approval. The developers subsequently indicated that they actually could not follow those concepts and made changes. He also expressed concern developers often proposed a certain rental structure and later indicated that this was unrealistic and that a higher rental structure was necessary. Mr. Glickman stressed his belief that all developers should be aware that when a developer submits a proposal, failure to comply with it may result in cancellation of the award and reoffering of the parcel.

President Wexler indicated that Mr. Glickman's comments were appropriate since once an award had been made and staff approved the subsequent drawings and designs, normally the matter did not come back before the Commissioners. He suggested that there be a procedure whereby if there were to be any significant changes from the development proposal approved by the Commissioners then the item would come back to the Commission prior to staff's approval. Mr. Glickman concurred and suggested that consideration be given to cancellation of a developer's award if he fails to move ahead as proposed.

NEW BUSINESS (continued)

Mr. Kernan indicated situations may arise making it difficult to adhere to inflexible guidelines. He noted developers may come in with an architect with a good design but if the developer and architect part company, it then becomes a question of whether a subsequent architect could produce a comparable design to the original submission. The initial developer selection is based on a determination of feasibility and the first submission is usually incomplete because developers do not wish to spend money designing a building which may be unacceptable. He indicated that even after disposition, more advanced drawings could be made available to the Commissioners so they would know what was submitted. President Wexler inquired if Mr. Kernan was suggesting that advanced drawings be provided when the Commissioners approved the disposition agreement, and he replied that such drawings would be more likely to represent a feasible project at that point.

President Wexler suggested that if there were any significant changes from the original proposal the plans be brought back before the Commissioners. Mr. Glickman inquired if this would be too late since the Commissioners would have already approved the disposition of the parcel. President Wexler noted that the Commissioners may not have had sufficient information at the time the developer was designated and suggested if at that time the disposition agreement is approved and then when the plans were more fully developed they could again be reviewed by the Commissioners if significant changes were proposed. Mr. Kernan indicated his belief that staff was conscious of the Commissioners' concerns and this would require staff's judgment as to what was considered a substantial change, and that if there were substantial changes the plans could be brought back to the Commissioners.

Ms. Shelley inquired about the feasibility of terminating a developer that wished to make significant changes, and Mr. Kernan replied that a substantial deviation from the proposal could be the basis for cancellation. Agency General Counsel Leo E. Borregard concurred noting that the disposition agreement specified the time within which satisfactory preliminary plans must be submitted to the Agency in accordance with the developer's proposal. Before the disposition agreement is executed, an advanced set of plans would be available and the Commissioners could easily control this by seeing that the preliminary plans substantially comply with the proposal development. Mr. Glickman indicated that he wanted staff to be aware of his concern about this development aspect and suggested that a statement be included in the marketing brochure notifying the developers that designs and schematic plan must be submitted and comply with the design scheme. He stressed the need to make developers aware of such requirements so he could not later deny having been notified of what was expected of him. He indicated in this way the Agency would be protected in the event the plans were unsatisfactory.

Mr. Borregard indicated that disposition agreements now state that plans must comply with proposals. Mr. Lee believed this should be indicated in the offering brochures so potential developers may be apprised of the criteria expected of them.

Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated the brochure was designed to attract developers in purchasing a development and there was an informational packet distributed

NEW BUSINESS (continued)

by the Agency which included Department of Housing and Urban Development (HUD) statements, the disposition agreement, and other documents indicating what was expected of developers in submitting development proposals. Mr. McMahon also recommended that property addresses be included in the brochure.

President Wexler expressed concern that the proposed offering brochure pictured properties which may confuse a developer about the properties the Agency had available and that they may not realize the Agency was offering vacant land in a prime location. Mr. McMahon believed that this could be a problem and presented an alternative brochure cover to President Wexler.

Mr. Glickman also indicated his concern that the brochure did not relate to the Van Ness Avenue parcel and he believed the brochure's set-up was somewhat distracting. Mr. McMahon indicated it was designed with the idea of being interesting, and Mr. Lee agreed it was attractive but was concerned that it required a person to make an effort locating the property involved. President Wexler inquired if anyone wished to comment on the disposition parcel.

Mr. Mervyn J. Goodman came forward and indicated that he was present at this hearing without benefit of legal counsel. He indicated that he was a Certificate of Preference holder as well as a citizen and taxpayer and that he believed this discussion concerning the entire parcel, including the Goodman Building, had taken place nine years ago. He inquired what would occur if the disposition agreement with Alan Wofsy for the Goodman Building were not approved and President Wexler responded that the Commission was presently discussing an entirely separate issue concerning another parcel which was independent from Mr. Wofsy's renovation of the Goodman Building. Mr. Goodman expressed the belief that HUD had disapproved the Wofsy proposal and expressed concern that if the proposal were rejected the Agency would be left with a separate building and development parcel. He indicated that these two parcels had been taken from him as one parcel and that the Goodman Building had been offered to him under an entirely different set of circumstances, which concerned bringing the building up to code. He indicated that the lot on Van Ness Avenue had not been included at that time, and it was his belief that preference should be given to former owners who ought to have a right to reacquire their property. President Wexler explained that there would be a public hearing concerning the disposition of the Goodman Building and indicated that Mr. Goodman was welcome to exercise his Preference Certificate and bid on the property in the public offering.

In response to Mr. Glickman's inquiry, President Wexler indicated that since the property to be offered and the Goodman Building had been acquired from Mr. Goodman through eminent domain, it appeared that his questions related to the agenda item because he was requesting the possible return of all or part of it.

Mr. Kernan indicated it had been the practice of the Agency where property had been acquired for the purposes of demolition and it was subsequently determined to put it to another use, that it was then reoffered to the former owner. This was not the case with unimproved property and noted that the Agency had acquired only a thirty-foot strip of the parcel to be offered from Mr. Goodman, but not the whole parcel. He recommended that Mr. Goodman submit an offer since he would have a preference as a certificate



NEW BUSINESS (continued)

holder. Mr. Goodman recalled that at the time the Goodman Building had been offered he had objected on the basis that he was also entitled to the vacant lot on Van Ness Avenue. He believed that the Wofsy proposal should be rejected and the property offered as one parcel because it would bring a substantially higher return.

President Wexler recalled that Mr. Goodman had appeared before the Commission expressing his interest in acquiring the property again but only if he were free to demolish the Goodman Building and put up new construction in its place. President Wexler indicated the Agency's desire for Mr. Wofsy to rehabilitate the Goodman Building and that the only parcel which is available for new development is the one before the Commissioners today. He indicated that Mr. Goodman was free to submit a proposal on it. Mr. Goodman believed that rules and regulations require that an adjacent property should be offered to a property owner. President Wexler explained that when property is acquired from several owners it is put out to public bid. The Commissioners then consider all proposals, including any from former owners, and that there were no legal or moral requirements as mentioned by Mr. Goodman. President Wexler reaffirmed the Agency's intent to offer the vacant land as one offering and leave the Goodman Building as a separate parcel. Mr. Goodman recalled for the Commissioners that the Goodman Building had been designated as a substandard building in the fire zone as identified in a letter to the San Francisco Examiner sent by Mr. Arthur Evan former Executive Director, and that the assessed valuation was \$10,000. He noted that the Commissioners were considering an expenditure of \$3,000 to \$5,000 to bring it up to code. President Wexler indicated that it had been made quite clear that the letter written in 1975 did not represent the position of the present Commissioners. Mr. Goodman indicated that the Agency had to comply with the building code of the City and County of San Francisco and that if he did not receive equity rights, five more years of legal entanglement would occur.

President Wexler reiterated that the Agency was considering offering vacant land acquired from two different owners and suggested that if Mr. Goodman were interested he submit a proposal. Mr. Goodman stated for the record that if the agreement with Alan Wofsy were not completed the City would benefit by selling the land as one parcel.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 274-78 authorizing the Executive Director to enter into an owner participation agreement with certain owners, Western Addition Approved Redevelopment Project Area A-2.

This item represents execution of two owner-participation agreements in the Western Addition A-2 area, the first of which is with Osamu Sam and Ukiko Seiki for two separate structures at 1725-35 Sutter Street between Laguna and Buchanan Streets, and 608-12 Hemlock Street directly to the rear. Both are wood-frame structures built in 1898 and 1895, respectively, and the Sutter Street building has five dwelling units and the Hemlock Street one has three. Rehabilitation work will cost approximately \$232,000 and be financed through the Agency's Western Addition A-2 loan program.



NEW BUSINESS (continued)

The second owner-participation agreement is with Bronco Investments, Inc. for a property located on the northeast corner of Sutter and Octavia Streets, which is an old boarding house to be converted to 49 studios and one-bedroom units for the low-income elderly. Each unit will have a kitchen and bath and the total rehabilitation cost will be approximately \$550,000 using the loan program financing, and \$300,000 additionally for refinancing, for a total of \$850,000. Both owners will undertake major rehabilitation work, including foundation and termite control, new roofing, replacement of electrical and plumbing fixtures, and extensive heating and electrical work. Mr. Kernan suggested that these items be acted upon separately.

President Wexler inquired if a person had to be a legal owner for a certain length of time in order to participate in the owner-participation program, or whether anyone who owned property could apply for the loan financing. Mr. William McClure, Director of Rehabilitation, indicated there was no time requirements for ownership and that Bronco Investments, Ltd. had purchased the property in 1977.

Mr. Robert Nurisso of Bronco Investments, Ltd. came forward and indicated there were ten general partners in the development of which he was one. The firm was a limited partnership formed for the purpose of acquiring property for low-rental housing for tax shelters. The limited partnership consists of five airline pilots; one doctor; a former 7-Eleven store owner; two attorneys, Robert and James Sullivan; Joseph Harrington of Harrington's Bar on Front Street; and Mr. Nurisso.

President Wexler inquired if the Agency's rehabilitation loan program were essential to the Bronco Investments rehabilitation proposal and Mr. Nurisso replied affirmatively that it was essential if low-rental rates were to be provided. The structure was presently a boarding house and that it was agreed upon in discussion with staff that there would be convenience kitchens and individual baths, in addition to a central kitchen which would provide two meals six days a week, similar to the set-up at the Broadmoor Hotel on Sutter Street, one block distant. If this were done using a market rate interest loan the rents would range from \$700 to \$1,100 per month.

Mr. Nurisso commented that Bronco Investment's rent schedules would meet the Internal Revenue Service (IRS) requirements concerning tax write-offs which meant that rents had to be 90 percent of \$10,000 and not more than 30 percent of \$9,000, leaving \$2,700 to be charged annually for rents. Therefore, the monthly rental would be \$242, plus an additional \$125 for meals for a total of \$357. President Wexler inquired if the meals were optional, and Mr. Nurisso responded they were required. He noted that maid service, movies, game tables, a solarium, TV room, lounge area, outside open space, and a view of the ocean would represent some of the amenities included in the rental.

President Wexler inquired if there were any specific methods of selecting tenants and Mr. Nurisso responded that Bronco Investments would cooperate with the community in selection of tenants in accordance with its agreement and commitment to the Agency. He stressed that there would be no discrimination, and in response to Mr. Glickman's question he indicated the owner-participation agreement required that first priority be afforded to relocation of people now living in the building. President Wexler inquired if

NEW BUSINESS (continued)

this was a standard agreement, and Mr. McClure answered that it was. He also noted that Bronco Investments was not required to use the Agency's list, except that they had elected to do so. A landlord was free to select tenants on any basis he desired, but Mr. Nurisso agreed to give priority to community people. Mr. Glickman inquired about Bronco Investments agreement to offer first rights to community people, and Mr. Nurisso replied that last week he had discussed the possibility of leasing the building for a five-year period to the Catholic Social Services and had also assured the Board of Supervisors that the people now occupying the building would be given first relocation priority. Mr. Glickman asked if Mr. Nurisso had any objections to providing a written agreement concerning what was to be covered by Bronco Investments, and he responded that he was almost certain that the Catholic Social Services would be a party to such an agreement as would his firm.

President Wexler inquired if there were any objection to senior citizens receiving first priority as residents of the project area and whether there would be a time period within which Bronco Investments was required to maintain this development as a low-rent housing. Mr. Nurisso replied that they were committed to a five-year period after which time a decision would have to be made as to what would be done with the building. President Wexler indicated this aspect may be more appropriate for the Loan Committee to consider than for the Commissioners since there was a substantial amount of loan being sought. However he expressed the belief that if the Agency were to provide this money a commitment should be made by the developers to maintain the development as low-rent housing for more than five years.

Mr. Kernan believed that as an owner participant Bronco Investments would still be in a position to proceed with market-rate housing and that it was inappropriate for the Commissioners to require a loan being a condition of provision of a program for elderly housing. He believed the loan should not be contingent upon a 30-year requirement for elderly housing. President Wexler believed that it was a question of the availability of loan money and the length of the commitment for providing this type of housing. Mr. Kernan commented that this was a larger project than usual but the Agency's policy was to encourage rehabilitation by making the Western Addition A-2 loan program available.

Ms. Shelley commented on the installation of efficiency kitchens while at the same time providing meals automatically and inquired what purpose the efficiency kitchen would serve. Mr. Nurisso responded that each unit must be self-contained in order to qualify for the Marks-Foran rehabilitation loan program. President Wexler inquired whether there was a way of giving the tenants the option of using these facilities instead of taking the meals rather than regimenting the lives of senior citizens. Mr. Nurisso responded that the break-even point was \$357 and that Bronco Investments would not make a profit on its investment during the five-year loan period. Mr. Glickman complimented the developers on their direct answers to the Commissioners' questions. Mr. Nurisso indicated that the developers would be able to write off part of the \$600,000 during the five-year period, and in addition the straight-line depreciation investors would be receiving approximately \$17,000 as an annual tax write-off.

NEW BUSINESS (continued)

Mr. Porter inquired if the loan could have been secured only for rehabilitation and without the designation of a senior-citizen-complex operation, and also if the five-year time period could be tied to the maintaining of low rental for the units. Mr. Nurisso responded that when the money was borrowed from the partners, it was for a limited time due to the accelerated depreciation. Messrs. Porter and Glickman asked if after the five-year period the developers would be free to change the rental structure, and Mr. Nurisso responded affirmatively, adding that he was attempting to interest the partnership in a ten-year loan period. He also commented that the Board of Supervisors was considering changes in the building code which would allow developers to still qualify the building as a senior-citizen complex without the convenience kitchens. Mr. Glickman again expressed concern about the five-year commitment because the developers would be free to do what they wished after that time with the property and may no longer provide low rents. Mr. Nurisso indicated Bronco Investments were committed to using the building for senior-citizen housing and any change in use would have to be reconsidered by the Planning Commission. He indicated, however, that the rents could be raised after the five-year period, and Mr. Glickman indicated his understanding that it was necessary to make the investment feasible but in charging higher rents it would remove the building from occupancy by low-income persons. Mr. Glickman inquired whether it would be possible to extend the period to ten years to permit community people longer access to the low rents. Mr. Porter suggested that the rents could be raised to cover the cost of living escalation after the five-year period.

Mr. Nurisso explained that Bronco Investments could borrow the money privately and charge from \$700 to \$1,100 per month but through the Agency's low-interest loan program his project's rentals could be kept within the \$350 range with meals which would not otherwise be possible. He commented that after five years, the Catholic Social Services may be interested in taking over the entire building.

President Wexler indicated his belief that previously most buildings renovated under owner-participation agreements had been retained by the original owners who had upgraded them but this was a new type development on an existing building. He believed the Commissioners viewed housing for senior citizens as a benefit for everyone and questioned whether it was appropriate for the Commissioners to impose requirements concerning the length of time low rents would be available to senior citizens, since this was normally a function of the Loan Committee. He believed that staff may supply further information on how this concept would fit into the community and whether after the five-year period the low-rent senior-citizen housing could be provided. Also it should be known if the units could be available without meals. Up to this time the Commission had only dealt with new construction and he suggested that further thought be given to the rental in the building after the five-year period. Mr. Glickman expressed reluctance to stand in the way of the developers but suggested that because of his concern about community people that Mr. Nurisso provide further information on these issues. He again complimented Mr. Nurisso on his response to the Commissioners' questions.



NEW BUSINESS (continued)

President Wexler inquired if there was a problem in delaying action for one week and Mr. Nurisso responded that there would be no difficulty and added that the developers had already received the building permit on June 6, 1978 and had started some minor construction on September 11th. He also indicated that it had been one year since the program had been finalized, and President Wexler inquired as to the cause of delay. Mr. McClure responded that the Agency had been advised that refinancing of existing mortgages may cause loss of tax exempt status and was precluded from refinancing in May 1977 by ruling of the bond counsel but a resolution of the matter was soon to be forthcoming. Mr. Glickman commented that the Commissioners could approve the owner-participation agreement today and the work could still not proceed until the bond counsel made a determination, and Mr. McClure concurred.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that the developers should not be permitted a tax write-off because this would represent speculation and cause rents to increase in the area. She was distressed that they were borrowing \$800,000 from the loan program funds and that there were other people who had need of this money because they could not obtain loans elsewhere, while Bronco Investments could obtain money anywhere. She failed to understand how the loan could be refinanced and also alleged that these were not low-income units because with \$125 monthly for meals and \$242 for rent which totals \$367, it would be difficult for a low income senior citizen to live in the building and noted that this was more than the \$311 many people received in social security money.

President Wexler again inquired as to what extent, if any, beyond the five-year time period the developers may be willing to make a commitment to continue with the same low rentals, and also if the meals could be made optional. Mr. Glickman indicated his interest in knowing about whether the loan was transferrable and, if so, what the profit restrictions were. Mr. Kernan indicated that the loan could only be transferred with Agency approval and Mr. McClure noted that there was a "due on sale" clause whereby the Agency would have the right to call the loan in event of sale of the property. He indicated that the Agency was not considered to be a lending institution. Mr. Glickman inquired if the staff could provide a written opinion of bond counsel and Mr. David Oster, Agency attorney, responded that it was the bond counsel who determined the requirements of the Marks-Foran program for the Agency and this information would be provided to the Commissioners.

Mr. Arnold Townsend of WAPAC indicated that the due on sale clause was present because in the opinion of the bond counsel the public policy of the Agency would make it unenforceable.

Ms. Shelley indicated she desired additional information regarding the mandatory meals and also wished to know how the cost of meals affects the \$350 break-even point suggested.

Mr. Nurisso indicated he would provide that information and President Wexler suggested that it be sent to the Commissioners not later than next Monday by 5:00 p.m. Mr. Nurisso also indicated that Bronco Investments also



NEW BUSINESS (continued)

planned to meet the 50 percent commitment for affirmative action on this construction, although it was not required.

President Wexler indicated that the Commissioners needed more information therefore, the item would be held over one week.

Mr. Townsend expressed his reservations about this proposal. He indicated that presently there was \$3 million in the loan fund available for families to rehabilitate their homes and \$850,000 would be one-third of that fund, which was a large portion of the fund. Mr. Townsend asked that the Commissioners compare this matter to the proposal of Mr. James Johnson in which he was willing to make a 30-year commitment for subsidized housing but did propose to use the Agency's loan program. He alleged that the Commissioners had expressed little interest in the merits of Mr. Johnson's proposal. He concluded by indicating his concern over the large amount of money going to a profit-making enterprise.

President Wexler indicated that the Commissioners had never reached a position of considering the merits of the Johnson proposal because of procedural problems. President Wexler also noted that final approval of the Bronco loan lay with the Loan Committee which administered the Agency's loan program, and not with the Commissioners.

Mr. Lee indicated he would abstain from voting on the matter because of a possible conflict of interest.

MOTION: It was moved by Mr. Porter and seconded by Mr. Glickman that the owner-participation agreement for property located at 1590 Sutter Street in the WA-2 to be rehabilitated by Bronco Investments, Inc. as low-rental housing for the elderly be held over for one week, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Glickman  
Mr. Porter  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

Mr. Lee

The President thereupon declared that the motion carried.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that the owner-participation agreement with Osamu Sam and Ukiko Seiki for 1725-35 Sutter and 608-12 Hemlock Street in Western Addition Approved Redevelopment Project Area A-2 be approved.

NEW BUSINESS (continued)

- (c) Resolution No. 277-78 rejecting bids received for Site Improvement Contract No. 31, Western Addition Approved Redevelopment Project Area A-2

This item concerns rejection of bids for a contract for planting of street trees in Western Addition Area A-1 and A-2. Staff had understood that the use of Community Development funds was permitted in Western Addition A-2, however, after bids had been received staff was informed by the Office of Community Development (OCD) that only funds with specific budgetary approval from the Board of Supervisors could be expended in the A-1 project. Trees for this area constitute a major portion of the contract, therefore, Mr. Borregard advised that the contract could not be revised to eliminate the trees in this area. Staff, therefore, recommends rejection of the bids and restructuring of the contract to include only trees for Western Addition A-2 and rebidding of the contract. The three bidders have been apprised of this pending rejection and that the contract will be rebid at some future date.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 276-78 designating certain newspapers to be official newspapers of the San Francisco Redevelopment Agency for specified categories of official advertising.

This item represents a proposal for the Agency to utilize the San Francisco Progress as one of two official newspapers for specified categories of official advertising, in accordance with a recent change made by the City to use that newspaper for the City's official advertising. The San Francisco Examiner will also continue as an official newspaper to be used for publication of advertising which the Agency by law is required to publish on two or more consecutive days.

Mrs. Rogers came forward to suggest that the Agency consider advertising in both black and Japanese newspapers in the A-2 community and although she understood certain advertisements had to be published on consecutive days, she questioned why the Agency could not use other newspapers, as well as the San Francisco Progress for its other types of advertisements. Mr. Kernan responded that other newspapers were routinely used for such matters as job offerings, but the advertising being considered were the legal notices which the Agency is required to publish. Mrs. Rogers expressed concern that persons who may be affected by such advertisements may not see the advertisements and urged that black and Japanese papers be used in the community. Mr. Kernan indicated his belief that this was being accomplished. President Wexler indicated his understanding that the Agency usually advertised in the Sun Reporter and the Nichi Bei Times, as well as other newspapers for maximum coverage for such items as contracts but noted that this item was addressed only to advertisement of legal notices. Mr. Kernan noted that it appeared Mrs. Rogers was requesting that legal advertisements be made in community newspapers. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that notices of an official nature only go to the San Francisco Examiner and not to other papers and what was now being proposed was that the San Francisco Progress be added

NEW BUSINESS (continued)

Mrs. Rogers indicated her understanding about items which needed to be published for two consecutive days but reiterated her concern about these matters being known to the community.

President Wexler commented that few people usually appear to speak at public hearings but on issues concerning the community many representatives attend. Mr. Glickman responded that in his opinion most of the time no one appears but, nevertheless, he would make a motion that all public and legal notices be published in community papers as well as in the San Francisco Examiner and San Francisco Progress. Mr. Kernan indicated that could be done but inquired which community papers were to be involved. Mrs. Rogers responded with the Sun Reporter and Nichi Bei Times. President Wexler recommended that staff make a list of the community newspapers, determine the cost and publication dates and then come back next week with this information. In response to President Wexler's inquiry, Mrs. Hale confirmed there was no need to act upon the matter today.

MOTION: It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that this item be held over for one week.

(e) Resolution No. 272-78 travel authorization.

This item concerns a request for travel to Washington, D.C. for Mr. Hamilton on November 14, 15 and 16, 1978 to meet with the Department of Housing and Urban Development (HUD) officials on matters relating to a current disposition agreement moratorium on subsidized units in Hunters Point and also to confer with the representatives of the National Housing Partnerships on their work in the area. Mr. Hamilton will also meet with the National Association of Housing and Redevelopment Officials (NAHRO) staff.

ADOPTION: It was moved by Mr. Porter, seconded by Mr. Lee and unanimously carried that this resolution be adopted.

At this time, Mr. Lee left the meeting at 6:10 p.m.

(f) Consideration of skylight preservation at the Goodman Building.

Mr. Kernan indicated that a request had been received from Mrs. Martha Senger of the Goodman Group to speak on the matter concerning repair of the skylight in the Goodman Building at 1117 Geary Boulevard.

Mr. Niccolo Caldararo came forward on behalf of the Goodman Group and indicated that he believed the Group and Agency staff could work cooperatively and deal with the skylight problem in an economically feasible way. He urged that the Agency accept the Group's proposal for replacing the skylight instead of staff's recommendation that all glass be removed and a plywood shield be installed. He suggested instead that the present skylight be replaced with an aluminum and glass one which he considered was the most inexpensive and efficient available. Mr. Caldararo indicated that the Group had already protected the walls and floors under the skylight, as well as having done other safety work, and had received bids for labor and installation of the skylight. He believed that any development of the building either by themselves or Mr. Alan Wofsy would include replacement of the skylight so in

NEW BUSINESS (continued)

his opinion the Agency was only doing what it needed to be done. By performing the work now the cost of inflation would be saved. He proposed covering the cost of installation by asking the Agency to purchase the skylight at \$6,000 and performing the work now in a permanent manner so the taxpayers would be saved \$2,000 or \$3,000, because the Goodman Group would do the installation.

President Wexler commented that the real issue was one of what would ultimately happen to the building. He expressed concern that it appeared the Goodman Group was doing everything within its power to prevent development and at the same time offering to expend money on a portion of the building that was not even occupied for the sole purpose of attempting to obtain an equity interest morally, if not legally. President Wexler indicated that the Commissioners had continually made it clear that they were in support of Mr. Wofsy and suggested that if the Goodman Group wished the Commissioners to entertain any proposal from them they should cease and desist their continued activities to make it impossible for Mr. Wofsy to succeed. Mr. Caldararo indicated his belief that the proposed disposition of the building was inappropriate, however the Goodman Group considered this a separate matter from the skylight. He believed the Goodman Group felt responsible for protecting the building and saving it. President Wexler reminded Mr. Caldararo that the Agency was the legal owner of the property and had designated Mr. Wofsy as the redeveloper of the building and if it were to act as Mr. Caldararo had suggested, it would cloud legal ownership in an inappropriate way.

Mr. Glickman inquired what the staff had proposed, and President Wexler indicated it was basically a proposal to prevent further deterioration of the building. Mr. Caldararo indicated that it was his understanding that staff proposed covering the skylight with plywood and removing the glass and it was his opinion this would be insufficient to protect the people and the floor under the skylight area. He added that Mr. Wofsy's plan called for saving the skylight. Mr. Glickman indicated that it was a matter of expending \$700 or \$7,000 and the practical approach would be to cover the skylight, using in-house labor as recommended by staff, since the area was not in use at this time. President Wexler inquired if the concern of the Goodman Group was for saving money. Mr. Caldararo indicated that he was only trying to save the taxpayers money, and suggested that it was illegal for the Agency to proceed with the work. President Wexler indicated that concerning the legality issue, the staff architect and general contractor had reviewed the matter and determined that the work was necessary.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Shelley that the Agency repair the Goodman Building skylight in accordance with staff's recommendations, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Berk  
Mr. Glickman  
Mr. Porter  
Mr. Wexler



NEW BUSINESS (continued)

and the following voted "Nay":

None

and the following abstained:

None

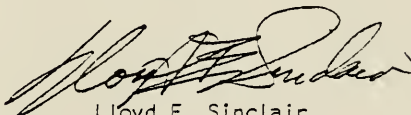
The President thereupon declared that the motion carried.

Members of the Goodman Group voiced opposition to the Commissioners' action and commented that this decision would prove costly to the taxpayers and that the Commissioners were making a great mistake since this action would be observed from all over the state. Mr. Caldararo suggested that the Commissioners give serious consideration to selection of a developer who may be profit-oriented in place of one who may wish to provide the community with social services and other amenities in the way of low-cost housing.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

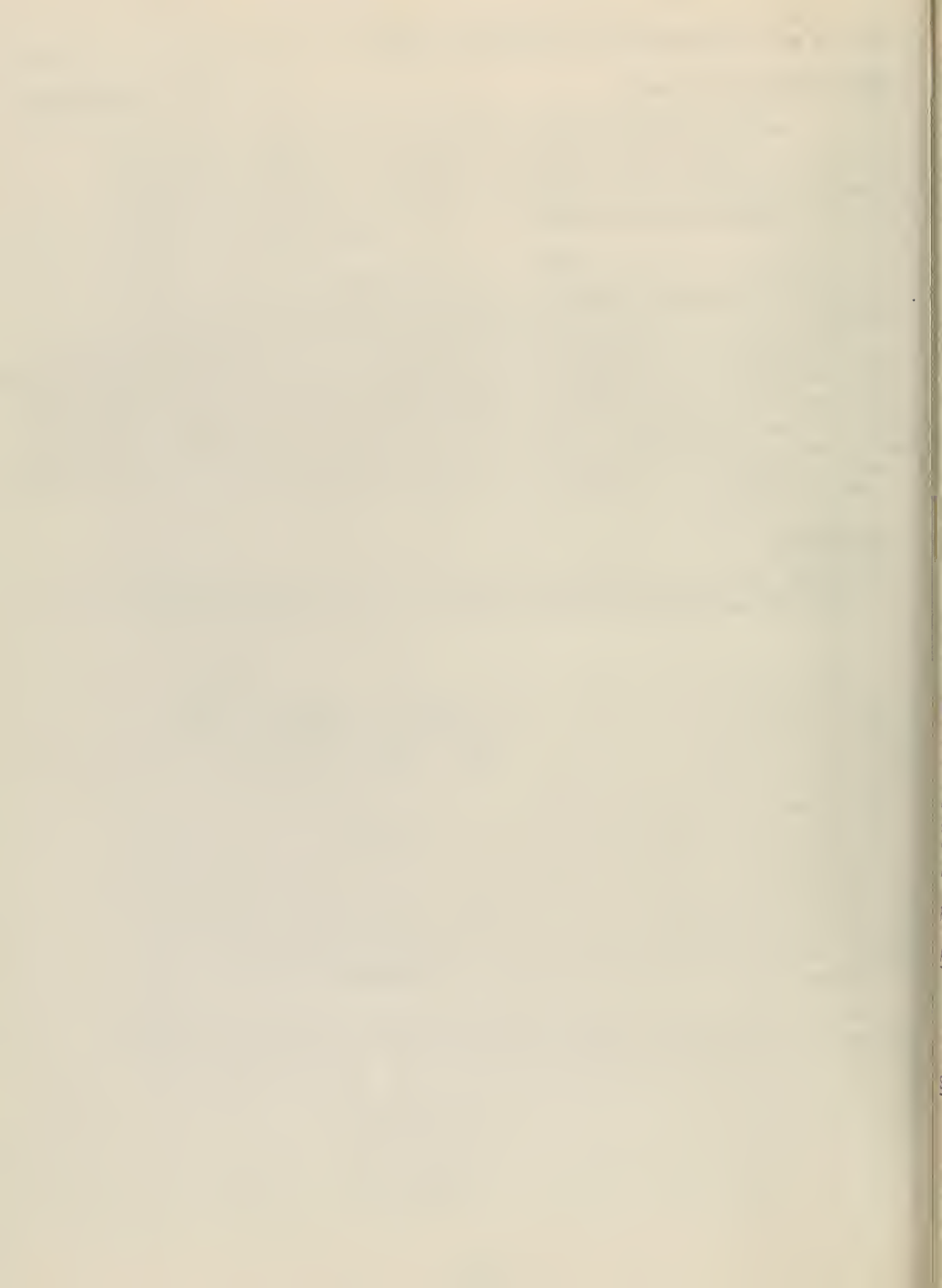


Lloyd E. Sinclair  
Acting Secretary

Edited by,



Helen L. Sause  
Secretary



R35  
#4  
11-21-78

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
21ST DAY OF NOVEMBER 1978

JAN 15 1979  
DOCUMENTS DEPT  
OF PUBLIC WORKS

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of November 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Rubin Glickman  
Melvin D. Lee  
Parree Porter

and the following was absent:

Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend and Mary Rogers, Western Addition Project Area Committee (WAPAC); Lyman Jee, Arcon/Pacific, Ltd.; John E. Robinson, Clarke and Cramer; J.M. Keldsen Crocker Bank; James Butterworth, B. J. Nielson, Paul Leishman, Raymond Clause, George Hoffman, and Jack Hopkins, Montage, Ltd.; Bruce H. Handler, San Francisco Victorian; Michael Chan, Asian, Inc.; Randy Wei, CANE; Jose Bibat, L and H Airco; Frank Guiliano, general contractor; Hita She She, El Hajj; Ted Frazier and Teall Heanderson, San Francisco Coalition; Robert Garner, African Film Society; Ron Dicks and Nanny L. Bowe, Fillmore Community Foods; Fern Cherry, Burning Spear Support Committee; Kelly Johnson, San Francisco Dance Theater; Roger and Nancy Olmsted, resource consultants; Clarence Mahoney, Gigi Wylie, Annah Lynch, Nat Mason, Vincent Lynch, Charles Middleton, Yaisha Ebanekollo, Glenna Hudson, Norman Brown, Clarence Brewer, Byron Robertson, Oba Shaka, Samuel Stuart, M. Pinsky, and Jeffery Stewart, Malcolm X Cultural Center; Michael Greenwood, Pan-African Students Union; and B. Clinton and Bradford Paul, interested citizens.

Representing the press was Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of October 17, 1978, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3722-B, Yerba Buena Center Approved Redevelopment Project Area.

SPECIAL APPEARANCES (continued)

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3722-B, Yerba Buena Center Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that Judge John E. Benson had ruled in favor of the Agency on all counts in the validation suit pertaining to the financing of the Yerba Buena Center exhibit hall. This represents a major step toward moving construction forward in Yerba Buena Center.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A bid opening of \$2,430,000 in project notes was held for the Golden Gateway Project and award was made to the Bank of America, N.T. & S.A., Continental Illinois National Bank and Trust Company of Chicago, and the Merrill Lynch White Weld Capital Markets Group. There were seven bidders with bids ranging from 5.33 to 5.62 percent interest on these notes which will replace \$3,600,000 in notes at 3.47 percent.
- (b) Mr. Hamilton indicated that as a result of his recent trip to Washington, D.C. and meetings with the Assistant General Counsel of the Department of Housing and Urban Development (HUD), it appeared that HUD will approve the indemnification language in the disposition agreement with Mr. Alan Wofsy for the Goodman Building. Matters pertaining to architectural requirement for the building were also discussed and it appeared that the Commission will soon be able to consider authorizing execution of the disposition agreement. Also discussed at the HUD meetings was the provision of 300 units of cooperative housing in the second phase of Hunters Point. These are the units not being processed by the HUD area office. Discussion in Washington identified the issues the City will have to resolve before HUD will proceed.
- (c) Mr. Hamilton announced that the escrow will close tomorrow for the Mercantile Building at the corner of Third and Mission Streets in Yerba Buena Center.

NEW BUSINESS

- (a) Resolution No. 278-78 finding that execution of the agreement for disposition of Parcel 3722-B for private redevelopment will have specified effects on the environment; that specified feasible mitigation measures and alternatives will reduce said impacts to an acceptable level; that specified social, economic, and other considerations made additional mitigation measures and alternatives infeasible; and that specified overriding considerations further justify approval of the agreement for disposition for Parcel 3722-B, Yerba Buena Center Approved Redevelopment Project Area.



NEW BUSINESS (continued)

This item concerns execution of a disposition agreement for the new apparel mart site at its new location on the east corner of Third and Howard Streets. California law requires that findings related to potential environmental effects must be made by the Commissioners before such execution and development, which concerns the potential adverse environmental effect of the apparel mart at its new site. These findings also identify the measure intended to mitigate or avoid these impacts, as well as enumerate areas where mitigation measures are infeasible and factors that justify approval of the project. The new apparel mart location was considered in the Environmental Impact Report (EIR) with only 50 residential units and the primary change presently proposed will be the addition of 120 units for a total of 170 units. This number of units is permitted under the EIR.

President Wexler inquired about the schedule for the Plan change and Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, responded that it was anticipated that it would proceed in January 1979. In response to Mr. Wexler's question, Mr. Conrad indicated it was not anticipated there would be any problem in changing the zoning of the City Planning Code to accommodate these units and that discussions had already been held with City Planning Code to accommodate these units and that discussions had already been held with City Planning staff who appeared to favor the change. President Wexler also inquired about the mitigating measures which were attached to Resolution No. 278-78 which indicated that climatic conditions in San Francisco were unfavorable to the use of solar heating. He recalled that the Commissioners had approved a housing project with solar heating in the Western Addition Area A-2. Mr. Conrad explained that during preparation of the EIR, the consulting engineer had questioned the economic feasibility of this type of heating in Yerba Buena Center and the exhibit hall. Mr. Conrad also indicated that staff had discussed solar heating with Mr. Lyman Jee of Arcon/Pacific, Ltd., who questioned the feasibility of solar heating for a development of the magnitude of the merchandise mart. Mr. Jee had indicated that he was willing to pursue that concept to determine its economical feasibility. President Wexler inquired if on this basis it was necessary to determine that solar heating was economically infeasible at this time. Mr. Conrad stated that it was unnecessary to preclude this possibility. President Wexler believed that since the developer was amenable to exploring the use of solar heating this should be included and Mr. Conrad concurred. In response to President Wexler's inquiry, Agency General Counsel Leo E. Borregard concurred that a provision could be included that would allow staff and the developer to explore the feasibility of solar power.

President Wexler inquired if it was determined to be infeasible the question was whether that decision should be made by staff or the Commissioners. Mr. Conrad believed it was unnecessary to bring the item before the Commissioners again and indicated that the possibility of solar power would be considered. President Wexler suggested that the paragraph in the "mitigating measures" precluding consideration of solar heating be eliminated. Ms. Shelley inquired if rewording the paragraph would permit greater flexibility and suggested using wording such as "heating and cooling a building of this size", and President Wexler expressed the belief the phrase could be deleted. Mr. Conrad concurred and Mr. Borregard indicated that the record would show deletion of paragraph 7-C 2.

NEW BUSINESS (continued)

ADOPTION: It was moved by Ms. Shelley and seconded by Ms. Berk that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Berk  
Mr. Glickman  
Mr. Lee  
Ms. Shelley  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

Mr. Porter

The President thereupon declared that the motion carried.

Mr. Porter indicated he had abstained from voting on advice of Mr. Borregard because he was relatively new on the board and had not read the EIR in full.

President Wexler inquired of Mr. Jee if the Commissioners' action met with his approval and Mr. Jee indicated his concurrence.

- (b) Resolution No. 279-78 ratifying publication of notice of public hearing for Parcel 3722-B, and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns ratification of publication of a notice of public hearing for the disposition of land for private redevelopment to Arcon/Pacific, Ltd. for construction of an apparel mart. Arcon/Pacific, Ltd. had complied with the schedule established in August when the Commissioners granted exclusive negotiating rights and authorization of the disposition agreement requiring Arcon/Pacific to comply with the July 1, 1979 deadline for evidence of mortgage financing. Parcel 3722-B consists of approximately 81,525 square feet and the purchase price is \$1,767,200, or \$21.67 per square foot. This value was based on a previously concurred-in value made by the Department of Housing and Urban Development (HUD) and reflects the current value as updated by Fullerton-Mills, Inc., the Agency's appraisal consultants.

Mr. Lee inquired about the date of the last appraisal and if he was correct in assuming this was the current market value. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, responded affirmatively noting that the property had been appraised in September 1978. President Wexler inquired about the additional deposit of \$100,000 and Mr. Borregard responded that it related to Housing Site 2 and noted that the deposit was increased slightly by a separate deposit relating to provision of the housing. Mr. Hamill indicated that the \$100,000 compared to a performance guarantee. President Wexler inquired how this figure had been determined and Mr. Borregard explained it was based upon a determination made by Mr. Mann and himself and was approximately 14 percent. Mr. Borregard indicated the increase was sufficient to be reasonable without being punitive and was intended to assure the Agency that the developer would proceed with the housing effort.

NEW BUSINESS (continued)

President Wexler referred to the increased number of units from 50 to 170 and inquired how that number was determined to be appropriate. Mr. Borregard responded that this was the number determined by Messrs. Conrad and Mann as being appropriate and concurred in by Arcon/Pacific as representing the number of units Arcon/Pacific believed would be practical. Mr. Conrad indicated that Skidmore, Owings and Merrill had recommended up to 175 units for this site. President Wexler indicated his understanding that Mr. Jee was interested in the possibility of acquiring land immediately adjacent to this parcel to enlarge the development and inquired if Mr. Jee believed he could go forward with the present parcel only. Mr. Jee responded that from the economic standpoint he would prefer to have the additional parcel but that he had determined that he could proceed without it and could provide the 170 units of housing and approximately 600 parking spaces on the present parcel.

**ADOPTION:** It was moved by Ms. Shelley and seconded by Mr. Lee that this resolution be adopted.

Mr. Borregard indicated that he wished to advise the Commissioners that Mr. John Robinson of Clarke and Cramer had asked Mr. Borregard to state that Mr. Robinson's firm was claiming a brokerage fee in connection with this transaction. President Wexler inquired if this claim could be discussed in an executive meeting, and Mr. Borregard answered affirmatively. President Wexler inquired if litigation is incurred because of the claim would there be any effect on the Agency aside from possible monetary damages or if construction could be delayed. Mr. Borregard replied that in his opinion there would be no claim against the property.

Mr. Glickman referred to a letter from Mr. Henry Poy of Arcon/Pacific Ltd. in which the broker's commission claim was mentioned and Mr. Borregard indicated it was actually a one-sentence letter indicating that the claim was introduced by Mr. Robinson also from Damon Raika and Company, in connection with an Agency resolution from 1976 which indicated the Agency could pay such fees. Mr. Borregard indicated Mr. Robinson had sent a letter advising that Arcon/Pacific had been introduced to the property by Mr. Robinson. The Agency disagreed with this indicating that there had been direct contact between the Agency's real estate staff and Mr. Jee. Mr. Borregard indicated further that there had been a formal request in August which had made no assertion that a broker was involved. Mr. Glickman inquired of Mr. Jee if he had been introduced to the Agency by a real estate broker, and Mr. Jee replied that he had been represented by Mr. Robinson in 1970 on the original Yerba Buena Center site and believed there were services rendered. Mr. Jee indicated that this issue may also be raised when the hotel site was considered. He indicated that when the site was changed he had asked his real estate agent to look at several other sites. Mr. Glickman inquired if this meant that Mr. Jee was alleging the site was introduced to Arcon/Pacific in 1970 by Mr. Robinson and was subject to a brokerage fee, and Mr. Jee responded that this contention could be made. Mr. Glickman inquired as to the amount of the fee involved and Mr. Jee replied it was \$32,000. President Wexler noted that Mr. Jee had referred to an agreement he had had with the broker and asked if Arcon/Pacific would be responsible if the Agency determined that it was inappropriate to pay a brokerage fee. Mr. Jee responded that he would prefer to have his attorney respond to this question. Mr. Glickman inquired if the agreement stated that Mr. Jee had to pay a commission since it may be a binding third-party agreement. Mr. Jee replied that the agreement for sites 2 and 3



NEW BUSINESS (continued)

for the office building and hotel each included a broker's fee. Mr. Glickman commented that Mr. Jee had made an agreement with a real estate broker, however, it was difficult for the Agency as a third party to be bound to that agreement. President Wexler indicated that whether or not the broker was entitled to a fee was something the Agency could leave to be determined by the mechanisms through either the courts or in an executive meeting; he indicated that his concern was that the Agency may be placed in a position where a claim or misunderstanding was likely to affect a major project. President Wexler asked that this matter be clarified so that regardless of how the broker's fee is resolved there will be no affect on the Agency's agreement with Arcon/Pacific in meeting specific deadlines on this totally separate project if the proposed resolution is approved. Mr. Jee believed it would not be to the broker's advantage to hold up the project because they were to act as its leasing agent. President Wexler commented that if no agreement was reached on the fee the only people in a position to make a claim alleging breach of contract by the Agency would be one of the two partners to the agreement. Mr. Jee replied that he did not wish to stop the project and that \$32,000 was an insignificant amount to jeopardize the project. President Wexler requested a clear statement that Mr. Jee would not use the brokerage fee dispute as a basis for claiming that Arcon/Pacific was to be released from the agreement. Mr. Jee agreed with President Wexler that the question of the fee would not be used to delay the project.

Mr. Borregard indicated that the "environmental" resolution should not require further acceptance but if Agency counsel concluded it should, then the Commissioners could place a thirty-day deadline on acceptance. Mr. Jee concurred that thirty days was acceptable to him.

ADOPTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that this resolution be adopted upon confirmation of counsel and with a thirty-day deadline on acceptance.

- (c) Resolution No. 280-78 authorizing transfer and assignment of interest in Parcel 3722-B, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns the transfer and assignment of interest in the apparel mart between Arcon/Pacific, Ltd. and Campeau Corporation of California, and requires that prior to April 4, 1979, this action take place. Escrow is anticipated to close March 31, 1979.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 284-78 approving form of "best efforts for housing" agreement for potential Office Building 2 with Arcon/Pacific, Ltd., Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item concerned the form of agreement for a "best efforts housing" provision for the potential office building Site 2. The housing agreement states that Arcon/Pacific has represented and proposed to the Agency its willingness to use its best efforts to construct market-rate housing not only on the newly proposed apparel mart site but also on Office Building Site 2, if Arcon/Pacific becomes entitled to acquire such site.



NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 281-78 awarding a professional services contract to Roger and Nancy Olmsted, resource consultants, for an archival study for the balance of the Yerba Buena Center Redevelopment Project Area.

This concerns a contract with Roger and Nancy Olmsted, consultants, for an archival study to determine the potential historical, archaeological, and cultural resources for the Yerba Buena Center, as required by HUD prior to disposition of sites in the project area. The contract involved two phases, the first being twenty weeks of collection of data and production of a draft report for review by the Agency and appropriate Federal agencies, and the second phase which is the final report production. Cost of the work is estimated at \$49,900 and in addition printing costs of \$7,000 are included in the contract. If it is determined that the Agency can perform the printing at a lower cost than the consultant, this amount will be deleted from the contract. Total contract authority with printing is \$56,900.

President Wexler recalled that there had been earlier discussion concerning the use of this firm in making the study and inquired what the cost of their previous study had been on the Central Blocks of Yerba Buena Center. Mr. Roger Olmsted came forward and indicated the total cost of the report one year ago on the Central Blocks had been \$8,000 but the firm had taken a substantial loss because it had contracted for fifteen days of work which had subsequently required forty-five days to complete. In his opinion the costs of this present contract were in accordance with the work that would be necessary based on the consultants' knowledge of the requirements gained during the other contract. In response to President Wexler's inquiry about the contract performance time, Mr. Olmsted responded it would take about twenty weeks for the basic work, and some additional time to prepare the final report. President Wexler commented this would be about one hundred fifteen days as compared to forty-five for the other contract and he wondered about the significantly large amount of time needed for remaining parcels when it appeared the basic resource information was already available from the previous work performed in connection with the convention center. Mr. Olmsted responded that the area previously studied represented about one-sixth or one-seventh of the total project and although the work previously completed would prove helpful in shortening the length of time needed, it would still require time to evaluate the remaining area. He explained that the consultants were dealing with the individual archeological sites which were different from the two blocks in the first study. President Wexler inquired if Mr. Olmsted's research included examination of specific material which required a greater amount of time in investigating each one, and Mr. Olmsted answered affirmatively. Mr. Conrad indicated that the contract amount for the first archival study of the Central Blocks was prepared in response to Federal requirements to be done as rapidly as possible, therefore the scheduling and contract amount were proved to be unrealistic. Mr. Glickman inquired if there had been any competitors in this field, and Mr. Conrad responded that one other consultant had been identified and noted that he had obtained an estimate from another individual for between \$60,000 and \$75,000 not including the printing.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 282-78 approving agreement for services as trustee and paying agent and authorizing and directing the execution of such agreement, Hunters Point Approved Redevelopment Project Area.

This item concerns an agreement with the Crocker National Bank for trustee and paying agent services for SB 99 financing of market-rate housing units for Hunters Point. Previously adopted resolutions by the Commissioners appointed Crocker Bank as trustee and paying agent and this action confirms that arrangement by authorizing execution of an agreement between the Agency and the bank. All expenses are to be paid from an operating fund which will be derived from the Agency's one-half percent of the total loans made under this program which is estimated to be \$22,500 annually. These are three one-time payments to be made which provide for an acceptance fee of \$2,500, the administration of mortgage loans at \$25 each, and out-of-pocket expenses, including the bank's Counsel for \$4,500 which has already been incurred in the review of the documentation and is payable to the bank. Annual fees provided for in the agreement consist of an administration fee of \$1,000 and a charge for the receipt, allocation, and accounting of revenues for one-quarter of one percent of the revenues collected which is estimated to be \$2,000 annually. Mr. Hamilton indicated that all developers for Hunters Point housing, except the Bahai Vista Homes, are in processing and have applied for building permits and mortgage insurance commitments.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (g) Consideration of an offering policy for 685-91 McAllister Street and 630-46 Gough Street, Western Addition Approved Redevelopment Project Area A-2.

This concerns consideration of a policy governing disposition of twenty-four units, plus commercial space, in the building located at 685-91 McAllister and 630-46 Gough Streets. In October 1977, three groups had expressed an interest in purchasing the building after it had been determined that revised plans would make preservation of the building feasible. Dukes and Dukes, urban consultants, are presently no longer interested and the El Shabazz School has expressed an interest in using the building for a cultural facility, day-care facility, sandwich shop, food store, and market-rate rental units. Montage, Ltd. also desires to purchase the building for a private club, restaurant, and conference and reception rooms with residential units for club members. The building was reoffered to the previous owner, Mrs. Esther Hirsch, who decided that it was infeasible for her to purchase and rehabilitate it to its former residential use; however, Mrs. Hirsch did make a proposal that she and Montage Ltd. joint venture, with her holding a ten percent interest and that of Montage Ltd. for ninety percent. Mr. Hamilton indicated that this proposal presented a question of policy since in similar previous offerings to former owners they had retained a one-hundred percent interest in the property. This appears to be contrary to the intent of previous reofferings, therefore, it was recommended by staff that the building be publicly offered for sale. President Wexler noted that a number of individuals were present to speak on this issue and suggested that each group be heard from.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that speakers representing the two major groups be heard for a total of ten minutes each after which subsequent speakers be limited to three minutes each, although the Commissioners could ask questions of any individuals they wished. There being no objection, it was so ordered.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and requested that WAPAC have the reoffering policy in order to evaluate the issues involved, and Mr. Hamilton responded that at the present time there was no policy regarding partial ownership. Mrs. Rogers indicated that the Certificate of Preference policy required a fifty-one percent interest, and Mr. Hamilton responded that the Commissioners may wish to formalize a reoffering policy for the purchase of property by former owners. Mr. Hamilton indicated that there were interested parties who wished to make presentations and after hearing these a recommendation would be made by the Commissioners on the matter. President Wexler indicated his understanding that it was the Agency's past policy to reoffer a building acquired for demolition but subsequently retained to a former owner at the price paid by the Agency. The Commissioners need to decide if they wish to formally approve that policy and place restrictions or designate specific uses for a property reoffered to a prior owner, or whether to offer it publicly. He reiterated that the Commissioners would make a decision on such a policy before disposing of this property. He indicated that the Commissioners would hear from the persons present and then from staff and that the Commissioners would then determine how to address the matter of an Agency policy on reoffering.

Mr. Glickman suggested that the groups select their speakers and work out the use of the time allotted to each group.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the meeting be recessed for five minutes at 5:40 p.m. There being no objection, it was so ordered. The meeting reconvened at 5:45 p.m.

President Wexler apologized to the groups present because it was not anticipated the Commission probably would be in a position to reach a decision on the policy issue today.

Mr. Paul Leishman came forward on behalf of Montage, Ltd. and indicated although he was not a member of that organization he supported its proposal which he believed benefited the whole community. He noted that Montage, Ltd. was a California corporation organized in 1975 and for over three years it had been seeking property to serve citizens attending the city's art events in a good environment and to provide opportunities for young artists to participate in the arts. After considerable research it was determined that the facility would be best located in proximity to the Civic Center near the performing arts center. Since the Agency policy at that time was to reoffer property for purchase by the former owner at a price no greater than the original acquisition price, Montage, Ltd. submitted a proposal in October 1977 in conjunction with the former owner, Mrs. Esther Hirsch. Mr. Leishman indicated that memberships in the group are available on an annual basis to anyone wishing to join. The basic benefits of the proposal are as follows: (1) a payroll of over \$400,000 would be created; (2) encouragement would be given to students



NEW BUSINESS (continued)

of the arts, dance, music, and drama and they would be enabled to work on a part-time basis in pursuing their artistic activities; (3) \$2.5 million in sales tax and revenues for the City; (4) scholarship awards of \$100,000 annually that would be provided; and (5) restoration of the building to its original Victorian splendor.

Mr. Leishman indicated his understanding that parking was of prime concern and indicated that Montage, Ltd. had entered into an agreement with the State Bar of California to provide parking. The \$165,000 renovation of the structure would take six months and provide employment to community residents in all phases of construction. He also indicated that financing was available and Montage, Ltd. was prepared to provide the five percent deposit on the property. He urged that the Agency represent the interests of all citizens in the area. Mr. Leishman believed that since the Agency had acquired the property in 1967 nothing had been done to develop it. He stated that Montage Ltd. had agreed to cover costs of moving the El Shabazz School to another location and suggested that the present use of the property did not represent a maximum tax return to the City. He believed that Montage, Ltd.'s proposal would benefit the Western Addition A-2 community and perpetuate performing arts in the city, and requested that the Commissioners consider the proposal favorably.

Ms. Gigi Wylie of the El Shabazz School came forward and inquired of Mr. Leishman if neighborhood residents could use the proposed restaurant, and he responded they could join Montage, Ltd. and then participate. Ms. Wylie asked the cost of membership, and he responded it was \$500 with some limited memberships at \$250. She expressed the belief that in a low-income area with many unemployed people who may be on welfare, the Montage, Ltd. proposal of an exclusive club was an insult to the community. She also believed that it was obvious low-income minorities would not be welcome to dine and that the groups now in the building were more responsive to the community and any other use would arouse resentment.

Mr. Norman Brown of the Mayor's Office of Employment came forward and indicated he had been involved with the El Shabazz School since 1967 and during that time it had served a number of young people at various sites in the Western Addition A-2. He believed that San Francisco's schools had disciplinary problems and other impediments to learning making it necessary for community people to have their own school. He believed the young people in the El Shabazz School had made progress in learning about themselves and society and that the school was a valuable community asset. He believed the Commissioner ought to consider the community needs and stressed that the school provided the basics of learning.

Mr. Vincent B. Lynch came forward and indicated he had received his Masters Degree in Special Education in 1971 and had devoted his teaching time to the El Shabazz School. He noted that up until the present time the school had occupied various Agency-owned buildings and had understood that the present building was to be demolished. Since it was determined that the Agency would rehabilitate the building, he hoped it could remain there. He indicated his own children were attending the school and believed that the school had made valuable sociological and psychological contribution to the community.

Ms. Hita She She came forward and indicated she was a member of the board of trustees of the El Shabazz School and that she questioned any benefits the



NEW BUSINESS (continued)

Montage, Ltd. proposal would provide to the community. She believed that the education available in the community was deficient and that many had joined cults and gone to Guyana in search of a better life and educational opportunities. She believed that many people could not afford to join a private club and in her opinion, El Shabazz School served the needs and interests of young people in the community.

Mr. Samuel Stuart of the Malcolm X Cultural Center came forward and proposed that the Agency-owned building it now occupied could be acquired for a cultural center. He was also seeking a rehabilitation loan from the Agency to renovate the building to provide 24 apartments of housing for the low-income. The Center hoped to expand its school, create a child-care center at 691 McAllister Street, expand its food store at 689 McAllister, and also open a thrift shop, juice bar, and sandwich shop. He noted that there were presently six tenants in the building. He suggested that the number of apartments be reduced to sixteen and the rentals would go toward paying off the rehabilitation loan and proceeds from the food store and thrift shop would run the school. He read a list of various people who supported the school.

Mr. Jack Hopkins representing Montage, Ltd. indicated that the membership of Montage did not oppose the El Shabazz School or its program and noted that it had been their understanding that the school would be relocated. He stressed that many hours had gone into attempting to locate a building near the Civic Center and developing the Montage proposal. He urged that the group be allowed to purchase the McAllister Street building for purposes that will serve a city-wide need. Mr. Hopkins indicated that he was a civil rights attorney and worked to achieve desegregation in the city. He also lived in the Western Addition A-2. He did not believe the issue of the building's use was a racial controversy but was concerned that some people were trying to make it into such an issue. The Montage, Ltd. were willing to discuss the proposal with anyone.

President Wexler indicated that since these comments concluded the presentations of Montage, Ltd. and El Shabazz groups, the Commission would now hear from other speakers.

Mr. Randy Wei, CANE, indicated his support for El Shabazz to remain in the building and alleged that the Agency was destroying the community.

Mr. Nat Mason of the Martin Luther King development indicated that because some of the residents of the housing participate in the school, he had had some experience with the El Shabazz School. He stressed that the school district did not serve children three to six years of age and since the school district did not support the El Shabazz School, it was of benefit to the taxpayer. He indicated that the school needed space and suggested that a suitable building be found in the community.

Mr. Bradford Paul, resident of Osgood Place, came forward and commented on the Agency's owner-participation policy which he believed gave a previous owner the first right to repurchase the property. He felt that this was the question the Commissioners needed to resolve and suggested that if a policy

NEW BUSINESS (continued)

had existed it had been subverted in the past. He believed that the Montage proposal was forcing the El Shabazz School to relocate and that this would be destructive because finding a new location was a hardship for the school. He suggested that the Montage group look at other buildings near the Civic Center. He believed that Montage could make a contribution to San Francisco but in his opinion this was not the right location because it would generate community animosity.

Ms. Collette Andrews noted that she lived a block away from the school and because of the scarcity of places for children in the community she believed the school provided a needed facility. She also commented on the need for the food store which provided food for community residents at reasonable prices.

Mr. George Hoffman, attorney for Mrs. Hirsch, came forward and indicated that he and Mrs. Hirsch believed that the decision reached by the Commissioners would be a fair one. He recognized the validity of the comments made by the supporters of the school but believed that if the Agency's policy is to offer the property back to the original owner, there should be no restrictions imposed on the reoffering. He believed that to be fair, the owner should be restored to the same position as occupied before the property was acquired. Mr. Hoffman questioned the Agency's ability to impose use restrictions on the property and expressed the belief that such determinations were only within the purview of the Planning Commission. He urged the needs of the total community be considered. The proximity of this property to the Civic Center makes it a suitable location for a use to serve the entire city. Mr. Hoffman indicated his belief that the Commissioners needed to determine whether to offer property back to the original owner without inhibitions as to its use. He stressed that community should be defined as more than a particular neighborhood.

President Wexler indicated that he was pleased that there was a representative of the previous owner present. He clarified the Agency's offering procedure for land sales and noted that when the Agency puts land out for public offerings it is generally sold at a fixed price for use in accordance with the Redevelopment Plan, and the Commission evaluates the resultant proposals and determines the most suitable use of the property in the best interests of the City. Zoning determinations are made when the Redevelopment Plan for an area is adopted by the Agency and City. The Agency does make determinations on individual development proposals. President Wexler indicated that in the past the Agency had reoffered property to owners when it was determined that a building acquired for demolition could be retained, however this is not a policy that has been adopted by the present Commission. President Wexler inquired if Mrs. Hirsch believed it would be feasible for her to repurchase and rehabilitate the building for its original residential use. Mr. Hoffman indicated that Mrs. Hirsch is on in years and does not wish to acquire the property and spend the necessary funds to renovate the building. In response to President Wexler's inquiry about Mrs. Hirsch's proposal to acquire the building and develop it in partnership with Montage, Mr. Hoffman indicated that earlier conversations with Agency staff indicated that a joint venture of Mrs. Hirsch and Montage would be acceptable and under those circumstances Mrs. Hirsch would be interested. President Wexler inquired if Mrs. Hirsch would consider holding a 51 percent share in the property. Mr. Hoffman responded that there was now no written agreement between Mrs. Hirsch and

NEW BUSINESS (continued)

Montage, but he believed Mrs. Hirsch's ultimate objective was to have Montage take over the property under some arrangement not yet resolved. President Wexler inquired if Mr. Hoffman believed that his client did not want to retain a long-term interest in the property and Mr. Hoffman responded that his client did not wish to make long term commitments. The proposal presently contemplated would permit her to have an interest in the project which could be bought out at some future time.

At this time, Mr. Porter excused himself from the meeting at 6:40 p.m.

Mr. Kelly Johnson indicated that he was the manager of a dance studio and indicated his support for the Montage proposal. He believed that the Montage program would provide employment and stressed that art students in San Francisco find it very difficult to find jobs.

Mr. Hamilton indicated that the merits of the proposals are not being discussed and stressed that the question concerns the right of a previous owner to reacquire property. The policy of returning property to original owners when program changes no longer require demolition of a building was intended to restore previous owners to their original status by allowing them to purchase property on an exclusive basis at the acquisition price. The property is to be used for purposes consistent with the Redevelopment Plan and he noted that the Commissioners have the authority to determine its ultimate reuse. Staff recommends publicly offering the building so that an evaluation can be made of the proposals received and the Commissioners can decide the one which achieves the maximum objectives of the Plan.

President Wexler concurred and indicated that the Commission will consider adoption of a policy on the reoffering of property to previous owners before a determination is reached on this particular property. Mr. Hoffman indicated that he believed his client would consider acquiring at least a majority ownership in the building. President Wexler requested that staff provide the Commissioners with information about the actions of previous Agency Commissioners concerning buildings that were resold to previous owners and the uses of these properties. He suggested that this information could be evaluated and the Commission would then be able to determine whether it should formalize a reoffering policy.

Mr. Glickman indicated that his decision would not be based on what had been done in the past but on the basis of the present Commission's philosophy. He agreed, however, that there was not enough information at this point to make a decision and concurred that the policy decision be deferred.

In response to an inquiry from Ms. Rogers, Mr. Hamilton indicated that the Certificate of Preference Program requires a certificate holder to have 51 percent or more interest. This matter concerns another type of priority than that of certificate holders and no formal policy has yet been adopted for reoffering to former owners. However he believed the Commission's intent to make an owner a majority interest holder is expressed in the Preference Policy.

Ms. Shelley inquired if staff recommended that the policy be adopted at this meeting or if additional time could be provided for the Commissioners to consider the matter. Mr. Hamilton responded that the policy could be presented at the next meeting.



NEW BUSINESS (continued)

Ms. Mary Rogers referred to statements made by Messrs. Hoffman and Leishman and inquired whether they were talking about the San Francisco community at large or the Western Addition area. She believed that references to the community concerned the Western Addition neighborhood and she alleged that redevelopment activities had displaced many people in the area and that any development should be of direct benefit to that community. Ms. Rogers indicated that she did not believe the performing arts program or an expensive club where only one community person would be hired as custodian staff was of benefit to the community. She alleged that the Mayor and CAO were a part of a conspiracy to implement the Montage program and she urged that the Commissioners carefully consider the policy of reoffering and not accommodate people because they have money. She indicated that the Western Addition area had been quiet for some time and that community representatives had attempted to work with staff but she believed that the civil rights of black people were being circumvented. She stated that Montage will not be allowed to develop the site and that she would prevent them from proceeding to purchase the property by any means necessary.

Mr. Arnold Townsend, WAPAC, stated that he had been working with representatives of the El Shabazz School but had not been contacted by Montage. He believed that the questions concerning reoffering to previous owners could be easily resolved by applying the principles of the Certificate Program. He expressed concern that only one custodial job would be available for community residents and urged that Montage look for other locations.

Mr. Lee inquired of the Montage representatives what the membership dues cost and types of memberships in the organization and Mr. Butterworth of Montage explained that there were two types of memberships, proprietary and non-proprietary at \$1000 and \$500. This membership includes use of the club, transportation to the Orpheum and Opera House, lunch, dinners, and valet parking. The development will also provide 175 jobs. In response to Mr. Glickman's inquiry about membership restrictions, Mr. Butterworth indicated that there were none.

Mr. Lee inquired about the number of the Board of Directors for the El Shabazz School and how they were chosen. Mr. Sam Stewart read the 15 names of persons serving as Board members. In response to Mr. Lee's inquiry about funding of the school, Mr. Stewart indicated that the school is seeking funding through grants, fund raising events, and donations. Mr. Lee asked about the current means for funding the school and Mr. Stewart responded that it was supported by tuition payments. In response to President Wexler's inquiry, Mr. Stewart confirmed that the school was now using rent-free space in an Agency-owned building.

Ms. Shelley expressed her belief that the appropriate course of action would be to establish a policy regarding reofferings to previous owners and asked that proposed policy be provided in time for the Commissioners to consider.

MOTION: It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that staff develop a reoffering policy for previous owners and calendar the matter for consideration by the Commission at the regular Agency meeting of January 2, 1979.



NEW BUSINESS (continued)

President Wexler indicated that all interested groups would be provided with copies of the proposed policy.

At this time Mr. Glickman excused himself from the meeting, 7:20 p.m.

- (h) Resolution No. 283-78. Ratifying the action of the Executive Director in authorizing the utilization of emergency security guard hours under the provisions of the existing contract with Albert's Patrol Service, Western Addition A-2.

This action ratified use of emergency "as needed" security guard services in connection with the moving of a building at 1759 Sutter Street to Divisadero and Ellis Streets. Use of the guard extended beyond three days and 95 patrol hours were utilized for the building move at a cost of \$449.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

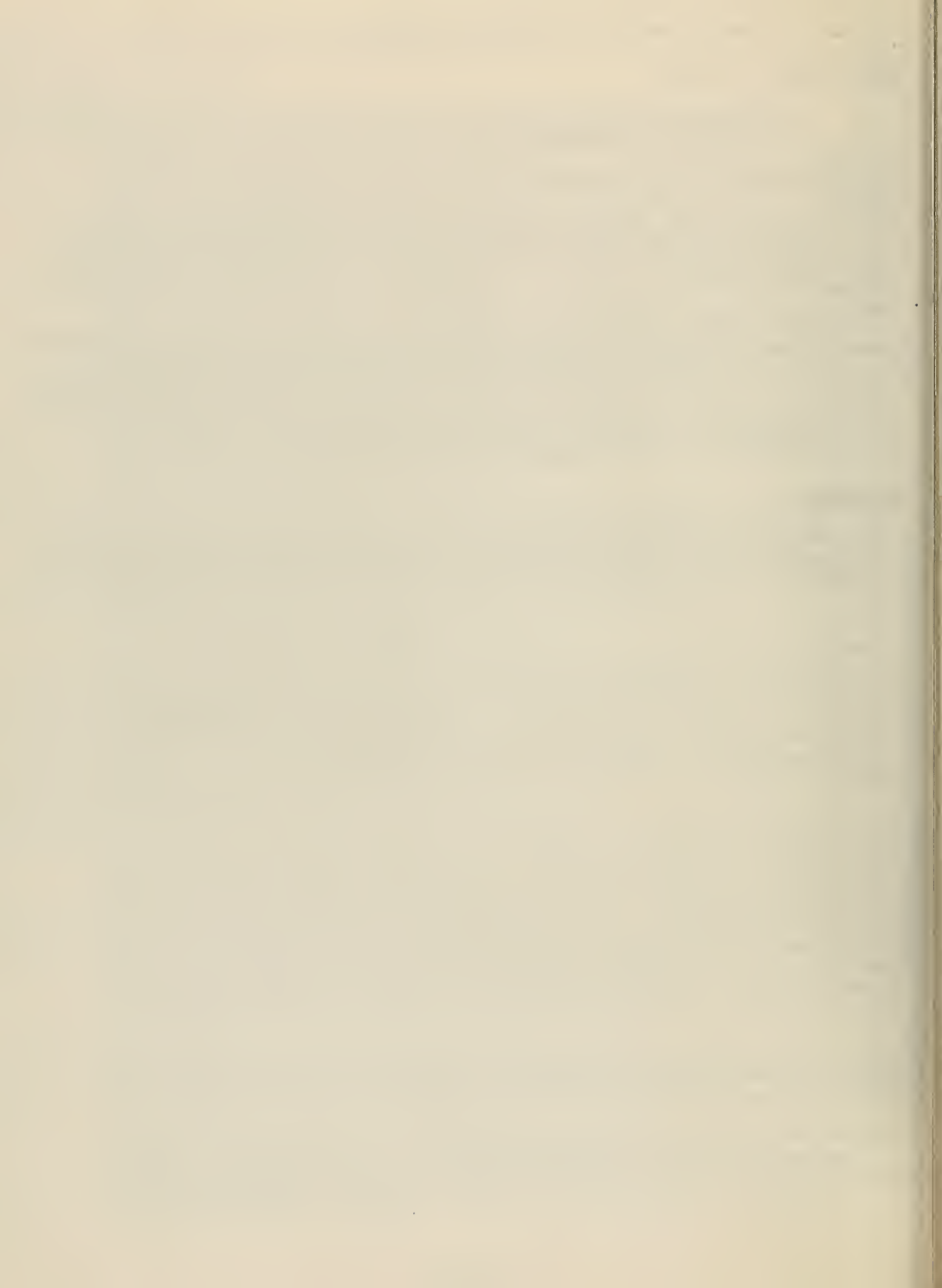
ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 7:30 p.m.

Respectfully submitted,



Helen L. Sause  
Secretary



SP  
R35  
#4  
11/28/78

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
28TH DAY OF NOVEMBER 1978

JAN 3 1979  
DOCUMENTS DEPT  
CITY OF SAN FRANCISCO

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 28th day of November 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee  
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present was Mary Rogers, Western Addition Project Area Committee (WAPAC).

REPORT OF THE PRESIDENT

President Wexler stated that because of the assassinations of Mayor George R. Moscone and Supervisor Harvey Milk the Commission would not consider the business matters on the Agenda. He indicated that everyone was stunned by the events of yesterday. He stressed that these events made no sense and that the thoughts of all go out to the suffering families of Mayor Moscone, Supervisor Milk, and Dan White. President Wexler indicated his belief that while it is impossible to understand the events that have taken place in the last ten days which included the tragic deaths in Guyana, it was important to continue working to achieve a society where there is sanctity of every human life. Without that protection of human life and its value no causes have any real merit and worth. Both George R. Moscone and Harvey Milk believed in this philosophy and dedicated their lives to helping the oppressed and underprivileged. President Wexler then addressed his remarks only to George Moscone noting that he was a personal friend and as Mayor had appointed all of the Commissioners present. President Wexler indicated that he had first met George Moscone when they were working to help save Jews in the Soviet Union who were suffering from persecution because their only desire was to leave that country and emigrate, for the most part to Israel. For that they were fired from their jobs, then sent to jail for not having jobs. George Moscone went to the Soviet Union to meet with the activists and others to determine the factual circumstances and when he

REPORT OF THE PRESIDENT (continued)

returned he recommended that the Consul General take action. He also took every action that he felt would help the cause. He consistently disassociated himself from those activities that only made headlines but did not help human beings. President Wexler commented that every person in the room probably knew of similar circumstances where George Moscone went out of his way to help oppressed groups. He believed that George Moscone's work will live on with us. President Wexler pointed out that an example of Mayor Moscone's work could be seen by viewing the Commissioners. Prior to his becoming mayor there had never been a woman or an Asian-American on the Commission and the most recent appointment before his tragic death was another fine black American. President Wexler indicated that later this week the Commissioners will make a public recommendation of an appropriate remembrance that the City and County of San Francisco that he so dearly loved can make to honor him.\* President Wexler also indicated his hope that out of these tragic events everyone would find the strength not to turn away, but to go forward with a new dedication in the principles for George Moscone and Harvey Milk gave their lives. President Wexler asked the other Commissioners if they would like to comment.

Ms. Shelley indicated that she would like to share a few of her thoughts. She experienced a great sense of public and private loss in the deaths of George Moscone and Harvey Milk. She noted that all of the Commissioners were appointees of George Moscone and were deeply grateful to him for the faith he had expressed by those appointments. She indicated that the Commissioners would rededicate themselves to the work he commissioned them to do which included building a more human city and a more beautiful city. Ms. Shelley indicated that she had met Supervisor Milk later than Mayor Moscone but had worked with him particularly during the recent campaign regarding Proposition 6, where he had his commitment to gay rights and she had hers to teachers rights, and both had united on this issue of human rights. Their deaths are a great public loss and in honor of both of these inspiring leaders and their memories there is a good reason to go on fighting.

Mr. Porter indicated that he was the newest Commissioner and perhaps the last appointment made by Mayor George Moscone and he reflected over the times that he had the privilege of coming in contact with Mayor Moscone. Mr. Porter recounted an experience at his church where the Mayor learned of the disappearance of a little girl, and the emotion revealed by Mayor Moscone at the loss of the child. He also indicated that he had been asked by Mayor Moscone to represent him at a Thanksgiving dinner, so that the Mayor could attend funeral services for Congressman Leo Ryan, and expressed incredulity that only a week later, the Mayor's own funeral was being planned. Mr. Porter concluded with the thought that there are four things a man must do: to think without confusion, to act from honest motives to love his fellow man, and to trust in God and heaven. He felt that perhaps that was a fitting epitaph for George Moscone as he knew him.

Mr. Hamilton indicated that he had counted George Moscone as one of his personal friends for some time, and in dealings with the City, never once did Mayor Moscone refuse to help when he was needed. Mr. Milk was aggressive but fair in dealing with the Agency's programs. They will both be missed.

\* This recommendation was the naming of the Yerba Buena Center Convention Center after Mayor George R. Moscone. See attached letter dated December 4,



REPORT OF THE PRESIDENT (continued)

Mr. Hamilton indicated that he would like to suggest that in respect to them, all offices be officially closed on Thursday, November 30, 1978 in recognition of the day of Mayor Moscone's funeral.

MOTION: It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that the San Francisco Redevelopment Agency offices be closed on November 30, 1978 in recognition of the day of Mayor George Moscone's funeral.

President Wexler asked those present to stand for a minute of silent prayer in memory of George Moscone and Harvey Milk.

ADJOURNMENT:

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned in memory of Mayor George R. Moscone and Supervisor Harvey Milk. The meeting adjourned at 4:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause".

Helen L. Sause  
Agency Secretary



GEORGE R. MOSCONE, Mayor  
Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Dian Blomquist  
Rubin Glickman  
Walter F. Kaplan  
Melvin D. Lee  
Hannibal A. Williams  
(415) 771-8800

# SAN FRANCISCO REDEVELOPMENT AGENCY

939 ELLIS STREET • SAN FRANCISCO 94109

ADDRESS MAIL TO POST OFFICE BOX 646 • SAN FRANCISCO, CALIFORNIA 94101

REFER TO:

December 4, 1978

Honorable Dianne Feinstein, President  
Members of the Board of Supervisors of the  
City and County of San Francisco  
Room 235, City Hall  
San Francisco, California 94102

Dear President Feinstein and Supervisors:

Subject: Naming of Convention Center

On behalf of the San Francisco Redevelopment Agency, I urge the Board of Supervisors to publicly go on record in support of naming the Yerba Buena Center Convention Center in memory of George R. Moscone. My initial suggestion that the Convention Center be named in his honor was made in part because Mayor Moscone in discussing the Convention Center with me stated that this was the only time in his life that he had ever been committed to any physical structure. Without Mayor Moscone's creation of the Select Committee on Yerba Buena, his placing of Proposition S on the public ballot, and his continuous support for the Convention Center, it is unlikely that the Convention Center would now be underway.

The Redevelopment Agency as legal owner of the Convention Center for the next thirty years fully supports the naming of the Convention Center in honor of Mayor Moscone. Mr. Roger Boas, as Chief Administrative Officer, is legally charged with running the Center on behalf of the City, also strongly supports the proposal. Gina Moscone has expressed early appreciation and approval of the proposal.

If the Board votes in favor of this proposal, we at the Redevelopment Agency will take whatever steps are necessary to support the Chief Administrative Officer in assuring that the Center is named in honor of George R. Moscone.

Sincerely,

Howard M. Wexler  
President

cc: Mr. Roger Boas  
San Francisco Redevelopment  
Agency Commissioners



235  
#4  
12/5/78

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
5TH DAY OF DECEMBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:30 o'clock p.m. on the 5th day of December 1978, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President  
Charlotte Berk  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee  
Parree Porter (jointed the meeting at 4:50 p.m.)

and the following was absent:

Howard M. Wexler, President

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend and Benny Stewart, Western Addition Project Area Committee (WAPAC); James Sullivan and Robert Nurisso, Broadway Mechanical Contractors, Inc.; M. Wong, T/W Associates; Teall Henderson, San Francisco Coalition; Thomas Callinan, Opera Towers Plaza; Nancy Hawkins and Ken Jones, bond counsels; Niccolo Caldararo, Goodman Group; and William Lighthorn, Catholic Social Services.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of an Executive Meeting of November 3, 1978, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) Acting President Shelley apologized for the lateness in starting the meeting and indicated that the assemblage of a quorum had been delayed because some of the Commissioners had been attending a joyous event to welcome Matthew Aaron, the new son of President Wexler into the family.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) The Board of Supervisors had concurred in the Agency's suggestion and had acted to name the Yerba Buena Center Convention Center as the George R. Moscone Convention Center. Acting President Shelley indicated pleasure in hearing this.

UNFINISHED BUSINESS

- (a) Resolution No. 293-78 authorizing the Executive Director to enter into an owner participation agreement with Bronco Investments I, Ltd., a limited partnership, property owners, Block 673, Lot 8, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an owner participation agreement between the Agency and Bronco Investments I, Ltd. for renovation of a four-story wood-frame structure built in 1890 to provide 49 studio and one-bedroom units for low-income elderly persons. Rehabilitation is estimated at \$550,000, with \$300,000 for refinancing, and will require a total loan of \$850,000 which will be made through the Agency's Western Addition Area A-2 loan program. Mr. Hamilton indicated that at the November 14, 1978 meeting the Commissioners had questioned whether meals had to be included in the rental of the units; the possible requirement of the retention of ownership for more than five years, and the effect of a court decision on the "due on sale" clause. He reported that the owners had indicated their intent to make meals mandatory. While they will not guarantee ownership of the building beyond five years, they have expressed their intention to retain it for ten years. The "due on sale" clause is applicable.

Acting President Shelley noted the presence of the Bronco Investments representatives and inquired if the Commissioners had any questions. Ms. Blomquist indicated she had not been present at the November 14, 1978 meeting when this was discussed and inquired of Agency General Counsel Leo E. Borregard the significance of the five-year write-off period. Mr. Borregard replied that based on the statement of the developer's representative at that meeting, the five-year write off period was geared to the Internal Revenue Service (IRS) program which enables certain tax savings to occur attributable to this project over a period of five years. Ms. Blomquist inquired why this should cause a problem, and he responded that a question had been raised as to whether these investors would be willing to extend this type of low rental beyond five years. The response was that the maximum IRS tax benefits were realized for the five year period.

Mr. James Sullivan of Bronco Investments came forward and indicated that he would be pleased to respond to any questions, and Acting President Shelley thanked him and indicated the matter had been thoroughly presented and there would be no need to repeat it, but that any new or additional information would be welcomed.

Mr. Benny Stewart of the Western Addition Project Area Committee (WAPAC) came forward and indicated he was appearing on behalf of Mrs. Mary Rogers who was opposed to approval of this proposal for the reason that \$850,000 was too large a loan for any one developer to request. He referred to a request from the Goodman Group for funds and believed that such large loans would drain the Western Addition A-2 Rehabilitation Loan fund. He inquired how much was left in the fund at the present time. He believed there was \$79,000 in funds



UNFINISHED BUSINESS (continued)

held up by the Office of Community Development (OCD) which was attempting to provide money for a citywide rehabilitation loan program. Mr. Hamilton noted his awareness of the proposal advanced by OCD to develop a citywide loan program but that program was not operative as yet. The Agency has expressed concern to OCD about the money being held in contingent status while the Agency had an active need for the funds to make loans for rehabilitation work. The Agency had indicated that if such a program could be made operable and funded, the Agency would support pooling of the funds. The Agency has reached the point in making loans where there is a need for availability of funds. OCD chose to follow its original proposal but did indicate the money would be placed in contingency and made available to the Agency upon request.

Mr. Stewart again asked how much money was left, and Mr. William McClure, Director of Rehabilitation, responded that the issue of the loans and the availability of funds were not being acted upon today. As a matter of information, the Agency enters into separate agreements with lending institutions for rehabilitation loan funds and so far has approval for \$1 million in loans with the California First Bank and \$3 million with Wells Fargo Bank. There is approximately \$800,000 available with California First and \$2 million to be available from Wells Fargo Bank. The Board of Supervisors has now authorized the Agency to obtain an additional \$21 million in loans which is estimated to be sufficient to complete the rehabilitation work in the project area.

Ms. Blomquist asked about the time span for expenditure of this \$21 million, and Mr. McClure indicated that it was between now and the completion of the project. Mr. Glickman expressed concern that this large sum of money would be used for one loan which provided subsidized units for only five years and thereafter the Agency would have no control over the sale or the use of the property. He referred to an opinion from the law firm of Orrick, Herrington, Rowley and Sutcliffe which indicated that the "due on sale" clause was still valid and at the end of five years if the property was sold and the loan is transferred, the Agency would have the right to call the loan. Mr. Borregard concurred in that interpretation and noted that under the structure of the loan program there was a Loan Committee separate and distinct from the Agency which approves and administers these loans. The Committee is composed of five members who were appointed by the Commissioners to act in accordance with standards established by the Marks-Foran Act. These standards provided the basis upon which the loans are to be made or refused. Since this Committee follows the duties imposed by statute the Commissioners do not act with respect to those loans but only are responsible for the appointment of the Loan Committee members. Mr. Glickman indicated his understanding that it appeared there was a five-year period during which the units would be subsidized but that if the property were transferred the Loan Committee could call the loan. However if the owners continued to operate the property, Mr. Glickman asked if the rents would again be controlled for senior citizens. Mr. Borregard responded that it was his understanding that the Loan Committee had nothing to do with the rents that were charged but that the subsidized rental program was consistent with IRS regulations which permit certain tax write-offs based on these rentals. Mr. Glickman indicated his concern that at the end of five years the property could be sold at a profit and the new owner would not be required to operate the property with restrictions.

UNFINISHED BUSINESS (continued)

Mr. Borregard agreed this was correct and Mr. Glickman inquired whether the developer could obtain the loan and charge the rentals, or if the Loan Committee could impose conditions of its own. Mr. Borregard indicated that the loans are to be made in accordance with the requirements of the Marks-Foran Act and relate to the capacity of the person borrowing the money to repay the loan. Mr. David Oster, Agency Attorney, indicated that there is provision in the loan program which applies to Marks-Foran Act loans for over twelve units permitting a requirement that units be rented at subsidized rates. This project would fall under this restriction. Mr. Glickman indicated his understanding that at the end of five years the developer could charge whatever rents he wished, and Mr. Oster concurred. Mr. Glickman indicated that the Agency was protected regarding alienation and the new owner would have to obtain a new loan. It was this five-year period which concerned Mr. Glickman, and he inquired if there were any way to obtain a commitment of the investors to continue to maintain the subsidized senior citizen housing program for more than five years, and Mr. Oster responded that the Loan Committee could ask for that condition.

Mr. Sullivan indicated that his firm had been involved with this project for the past two years and it would be another half year before the units could be ready and that this would bring the total time to seven and one-half years before the project is completed. During this five-year period the firm would be benefited indirectly from IRS tax exemptions. He explained that he was supportive of low rentals to the elderly but the firm would be only breaking even during this five-year period because income is not expected from rentals but from the IRS exemptions. At the end of the five years it may be possible to maintain the project for low-income renters. He indicated that it depended upon the subsidies Congress enacted and if there are no more benefits then the firm would have to rent the units to realize a return on its investment. He believed the project provided an opportunity for senior citizens to live in a good environment for which they need not pay exorbitant rentals.

Mr. Glickman inquired if the Loan Committee could do anything to extend this commitment beyond the five years. Mr. Sullivan responded that without Federal subsidies there was no way people could live in the units with the amenities to be provided at that rental rate. If his firm has to borrow money at an interest rate of eleven to twelve percent he estimated the rentals would be \$800 rather than \$360 per month with food. Mr. McClure indicated that the requirement for rent limitations would last for the duration of the loan. Mr. Glickman indicated that as long as there were rent restrictions the Loan Committee could impose, the proposal was acceptable to him.

Mr. Porter expressed concern about the possibility of speculation and indicated that it appeared the funds could be borrowed at low rates and tax write-offs obtained. Then after five years when these benefits were no longer available the property could be sold and market rate rents charged. He believed the loan money could be used for greater benefit for the community and loaned to rehabilitate other properties during this five-year period. Mr. Sullivan reiterated that without a low interest rate loan this development could not provide units for low income elderly persons and his firm was willing to abide by the rent restrictions of the Loan Committee since it would be receiving tax write-offs from the IRS.

UNFINISHED BUSINESS (continued)

Mr. Glickman noted that if this was an apartment building it could represent a substantial profit upon sale. He inquired if the specialized use of the property affected its resale value since not many people would want to purchase this kind of facility. Mr. Arnold Townsend of WAPAC came forward and indicated that these were self-contained units with individual kitchens and that the Commissioners should be aware that it would be easy to sell such property for speculation.

Mr. Robert Nurisso of Bronco Investments, Inc. came forward and indicated that he was one of the general partners in the firm. He pointed out that there is a requirement contained in the deed of trust imposed by the Planning Commission which insures that convenience kitchens be added to each unit. However, there will be a central kitchen and the building will be classed as a lodge or club for senior citizens and not available for resale as a condominium.

Mr. Townsend reiterated his belief that these were individual units and that sufficient parking was being provided which clearly showed a potential for speculative resale. He contended that the rehabilitation loan funds were never intended to be used for such loans and believed that it required a large loan for a building which could be turned into an apartment house and be a money-making venture for the developers. He indicated WAPAC opposed use of the funds used for such a development. He expressed concern that the banks would not make additional loans and urged that the Agency count only the funds on hand. He believed the loan program was intended for residents who wished to fix up their property. He alleged that real estate developers were taking advantage of the program and that caution be used since Bronco Investments refused to commit itself beyond the five year period.

Ms. Shelley inquired about the history of Bronco Investments and its ownership of this particular property. She asked whether the property had been publicly offered and if others had been offered the opportunity to develop the property so that a group not profit-motivated could use the loan and rehabilitate the units for social reasons. Mr. McClure indicated that this was not a disposition parcel and that Bronco Investment owned the property and were interested in entering into an owner participation agreement to rehabilitate the property and bring it into conformity with the Agency's rehabilitation standards. This was a property that has always been designated for rehabilitation since the Redevelopment Plan was adopted some ten years earlier. He noted that Bronco Investments had purchased the property two years ago and had developed these plans for rehabilitation of the building because they wished to retain ownership. The Marks-Foran program would assist this goal. Mr. McClure explained that the Agency only required that the owners agree to enter into an owner participation agreement for the rehabilitation of their property but could impose no obligation for renovation of the building for low income persons. That function would be handled by the Loan Committee. The rehabilitation standards require that the building be rehabilitated for a life of thirty-five years and the Commissioners were being requested at this time to approve the owner participation agreement.

Ms. Blomquist questioned from which fund the loan money would come, and Mr. McClure responded it would come out of the next agreement with a bank



UNFINISHED BUSINESS (continued)

for loan funds. He indicated that this would be the largest residential loan to date although other loans had been made of \$200,000 to \$300,000 but this loan was large because there were fifty units involved. Mr. Hamilton inquired if this building were not rehabilitated through the use of the Marks-Foran program what other approach could be used to renovate the building and achieve such low rental levels. Mr. McClure responded that without the loan then it was questionable whether rehabilitation would take place since this depended upon the financing Bronco Investments could obtain and the rentals would be higher if the firm had to go to the open market. The main attraction of the Agency's loan program was the low interest rate which would keep the rentals low. Acting President Shelley recalled Mr. Sullivan had said the rentals could be \$800 in the open market.

Mr. Hamilton indicated that the community benefits derived from the rehabilitation of the building using the loan program as compared to what may happen to the building and potential tenants in the lower income ranges if it is not used indicates that at least for a five year period 50 units at a lower rental rate will be provided. Mr. Hamilton believed that this was preferable to the alternatives. It was his opinion that the program was basically a good one. He indicated that if the use of this amount of money from the loan program would disadvantage other property owners ready to proceed he would certainly consider other property first, but this was not the case. He concurred with Mr. Townsend that no one knew the financial future but the Marks-Foran program has been of great assistance and there was no reason to expect that the banks would not continue to issue loan authority. If it was discontinued then the proposed citywide rehabilitation program would also be without funding. He recommended the use of a Marks-Foran loan for this project as it will provide benefits to people and does not disadvantage other properties ready for rehabilitation. Mr. Hamilton did not anticipate that the banks would discontinue lending the funds. He inquired if the rental restrictions could be made a condition of approval of the owner participation agreement and Mr. Borregard responded that the owner participation regulations did not refer to such requirements nor was it contingent upon a loan program. He indicated the owner participation agreement was established by the Redevelopment Plan and only concerned certain rehabilitation standards and compliance with the Redevelopment Plan and Declaration of Restrictions. The owners have come forward with a proposal that the Loan Committee is responsible for administering and while the members of the Loan Committee are appointed by the Commissioners the loans are not a direct Agency function. Mr. Borregard indicated that the Agency could not advise the Loan Committee what to do since the Committee is an independent entity and if the owners seek a loan and cannot get it then they must seek other financing.

Mr. Porter inquired about the relation of the required life of rehabilitated buildings of thirty-five years to the five-year loan limitation. Mr. McClure indicated that the thirty-five years represented the economic life the rehabilitated building must meet but it does not mean that the building must remain in the same ownership for that length of time. Mr. Porter noted that some developments are required to maintain low rents for thirty years and inquired if after the loan period these owners could do what they wished with this building and whether if they sold it the rentals could change. Mr. McClure indicated that the low rents are required to remain in effect only during the



UNFINISHED BUSINESS (continued)

period of the loan. Mr. Hamilton indicated that the rehabilitation program had different restrictions than new construction.

Mr. Glickman inquired if this \$850,000 affected any of the Agency's programs on housing at this time, and Mr. Hamilton answered negatively. Acting President Shelley commented that she assumed the present investors were in business to make a profit and this did not concern her unduly. She only questioned if a public agency could achieve a broader social goal and considered that five years of low-cost housing for aged was better than none and hoped that people could explore avenues to continue the lower rents. Mr. Glickman concurred noting that the Agency was presently not using the money and it would produce low-income housing for five years without depriving the community. Mr. Hamilton agreed.

Mr. Townsend indicated his belief that there was a great interest in the loan program and the community wanted to use the money if Bronco Investments did not use it. He did not object to the profit motive but compared it to those in the Tenderloin and expressed concern that this had not kept people out of such "flea-bag" hotels and senior citizens on social security cannot pay \$367 per month with food, since their checks do not amount to that. He alleged that the Agency was providing housing for seniors who could afford housing anywhere and that the investor would realize profits in excess of the benefit to be gained by providing housing for five years for fifty to one hundred people. He also believed that studio apartments were inappropriate for seniors.

Mr. McClure indicated that this substandard building has been in the area for thirty years with fifty units which are unsafe, not decent, nor sanitary, and Bronco Investments is the owner of the property who is willing to rehabilitate it and provide low rentals. He believed it unfair to compare this proposal to hotels in the Tenderloin.

Mr. Sullivan indicated that the firm had worked with the rehabilitation staff to meet the Agency's requirements and noted that Mr. William Lighthorn of the Catholic Social Services was present to discuss the social services that would be offered in addition to the board and lodging.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Blomquist that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Berk  
Ms. Blomquist  
Mr. Glickman  
Mr. Porter  
Ms. Shelley

and the following voted "Nay":

None

and the following abstained:

Mr. Lee

UNFINISHED BUSINESS (continued)

The Acting President thereupon declared that the motion carried.

Acting President Shelley indicated that Mr. Lee had abstained because of a possible conflict of interest.

NEW BUSINESS

- (a) Resolution No. 285-78 authorizing the Executive Director to enter into a professional services contract with Thomas Schulster, Architect, Inc. in connection with maintaining the Rochester Clothing Company in the Mercantile Building while rehabilitation activities are being performed by the redeveloped Yerba Buena Center Approved Redevelopment Project Area.

This concerns a contract with Mr. Thomas Schulster, architect, not to exceed \$4,000 to advise staff on how to accommodate the Rochester Clothing Store's retail operation while the Mercantile Building is being renovated. Mr. Schulster had had considerable background in this type of work and will keep the Agency advised on the day-to-day progress of the construction.

Ms. Blomquist inquired how much had been paid to Mr. Schulster to date, and Mr. Earl Mills, Deputy Executive Director for Community Services, responded that Mr. Schulster had provided assistance to the Agency in construction activities and various alterations in connection with the Rochester Clothing Store for \$4,000 and there was also a \$500 fee for preparing the plans for rehabilitation of 676-78 Mission Street. This represented the final work required of him. In response to Ms. Blomquist's inquiry Mr. Lee indicated that he considered these estimates quite reasonable.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 286-78 authorizing the Executive Director to enter into a rental agreement with T/W Associates, a partnership, for the utilization of Agency-owned property on Block 3706, Lots 8 and 10, for the purpose of storing construction equipment and employee parking, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated this was a rental agreement with T/W Associates for \$17,240 square feet of land adjacent to the Mercantile Building for use as a construction yard. Staff recommends approval of the agreement at .01 cent per square foot, or \$175 per month, to facilitate reconstruction of the building. This amount represents a revenue loss of \$1,850 per month because it will be necessary to remove the surface parking; however, staff believes it is the Agency's obligation to facilitate this rehabilitation project, and after its completion the lot will be returned to the interim use as parking. Mr. Hamilton indicated that because of delays experienced which caused increased costs beyond the control of the developer and because it is in the interest of the program to provide assistance to developers, staff recommended approval of this agreement.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (c) Resolution No. 292-78 approving the design and printing of a marketing portfolio in connection with the marketing of Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item represented an expenditure of funds not to exceed \$1,200 for preparing 150 copies of a marketing and informational brochure for Yerba Buena Gardens marketing effort. Three bids were received on December 4, 1978 for this printing and copies of these bids had been placed in the Commissioners' folders. Staff recommended approval of this item. Mr. Hamilton indicated that the bids ranged from \$996 to \$1,250 but with sales tax the recommended amount of \$1,200 would remain the same. A mock-up copy of the brochure was shown to the Commissioners.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (d) Consideration of a seventeen-day extension of exclusive negotiating rights to Opera Towers Plaza, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This represents an extension of exclusive negotiating rights to Opera Towers Plaza for Parcel 762-A at Van Ness and Golden Gate Avenues on the Doggie Diner site. These rights expire at 5:00 p.m. on December 31, 1978 unless extended by the Commissioners. Mr. Borregard is working on a method to facilitate the handling of monetary payment to the Filipino community but these arrangements have not yet been concluded. It is recommended that these rights be extended to 5:00 p.m. on January 17, 1979 to resolve this matter. Mr. Hamilton indicated that the developers have worked diligently in pursuing their assignment and will be ready within one week. However, because of the need to complete arrangements with the Filipino community he recommended the extension.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that exclusive negotiating rights be extended for a seventeen-day period until 5:00 p.m. on January 17, 1979 to Opera Towers Plaza on Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

- (e) Resolution No. 294-78 approving and authorizing the Executive Director to execute a letter of agreement with the San Francisco Department of Public Works for striping of pedestrian crosswalks, Hunters Point Approved Redevelopment Project Area.

This concerns a letter of agreement with the Department of Public Works to safety-stripe pedestrian crosswalks in the Hunters Point project for an amount not to exceed \$10,000 for the 4,400 linear feet of crosswalks.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 290-78 approving the design and printing of an informational brochure in connection with the marketing of Inda Basin Industrial Park Approved Redevelopment Project Area.

NEW BUSINESS (continued)

This item concerns preparation of an informational brochure for marketing of the India Basin Industrial Park project, which will highlight the development that has occurred, outline the availability of the SBA 502 loan program, and reflect the relationship of the project area to the city. It is estimated that \$600 will provide sufficient funds to prepare this brochure in order to obtain estimates for its printing. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the staff had first to prepare the brochure before it can be determined what work is to be done to get it printed. He indicated that the Commissioners may also wish to authorize the printing at this time..

Mr. Glickman inquired if this authorization included money for the Graphics Division to prepare the brochure for printing and Mr. Hamilton responded that the graphics staff would use approximately twenty hours for design, layout, paste-ups, and the \$600 covers outside services, paper, film, and other materials. Mr. Glickman inquired how much property was involved, and Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated there were approximately seventeen acres to be sold at \$80,000 per acre excluding commercial pieces which would cost more.

Ms. Blomquist inquired if the actual printing costs would come before the Commissioners again, and Mr. Hamilton responded affirmatively.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 287-78 authorizing validating and bond proceedings in connection with the issuance of bonds to provide construction and permanent financing for the development known as Mission Plaza Apartments.
- (h) Resolution No. 288-78 authorizing the issuance of mortgage revenue bonds to provide funding for publicly assisted residential development outside of redevelopment project areas within San Francisco.

Mr. Hamilton requested and received permission to consider both these items together. These resolutions authorize the use of the SB 99 residential development program outside redevelopment areas and specifically authorize issuance of bonds for a project by Pacific Union Development Company for development of 132 Section 8 residential units at Mission and 16th Streets. Of these units, 82 are for the elderly and handicapped and 50 are for families with handicapped people. A commercial space of 6,200 square feet is also included along Mission Street frontage on the site. The mortgage is estimated at \$5,137,700 and will be conditional upon obtaining a Section 8 contract. Item 9(g) authorizes issuance of the bonds for construction and permanent financing of the development and 9(h) provides funding for publicly assisted residential development outside redevelopment projects.

Mr. Hamilton indicated that in many discussions with the Pacific Union Development Company about its development activity in the state and in the city, it had become apparent that it was in the city's interest to consider the use of SB 99 outside renewal areas in order to reach people not presently served within the Agency's projects and to facilitate construction of housing for them.



NEW BUSINESS (continued)

In response to Ms. Blomquist's inquiry, Mr. Hamilton noted that the issuance of the mortgage bond was only for this project. He indicated it was a groundbreaking action which would provide funds to help people outside re-development projects.

Ms. Blomquist inquired how the public could be apprised that this program is available, and Mr. Hamilton indicated that the Agency would be developing a comprehensive public announcement once the pilot project has been tested. He indicated the Agency's confidence in this developer and believed that most of the funding problems had been resolved. The Agency needed to know the capacity of developers and should make such loans on an individual basis.

Mr. Glickman asked about any restrictions on use of SB 99 bonds and Mr. Hamilton responded that the program can be used only for subsidized low-rental housing outside the redevelopment areas although within the project areas market-rate housing could be financed. Mr. McMahon concurred in this and indicated that both Ms. Nancy Hawkins, mortgage finance advisor, and Mr. Kenneth Jones, bond counsel, were present to answer any questions. He indicated that there were certain legal procedures necessary before proceeding and noted that the matter would come before the Commissioners again when specific resolutions authorizing the bonds and designating the financial consultants were prepared for consideration. Authorization must also be obtained from the Board of Supervisors, but this action was the first. Ms. Blomquist asked if every time a project comes before the Commissioners would it be necessary to go through all these steps, and Mr. McMahon responded that it would depend upon the nature of the project.

Mr. Ken Jones, bond counsel, came forward and indicated that an "in rem" action was necessary in this case. An "in rem" action was distinguished from a personal action and will establish the validity of bonds for this project. It is required because of the commercial space incorporated in the development. Mr. Hamilton indicated that the Agency wanted to be careful in selecting competent developers to whom this assistance is offered and noted that the Agency would work through the OCD which controls the city's housing subsidies.

Ms. Blomquist indicated her concern that the availability of the program be generally known and noted that this appeared to be answered since the Agency was going through OCD. She inquired about the source of funds to administer the program, and Mr. McMahon responded it would come from the bond proceeds. Mr. Glickman inquired if there was a limit to the availability to secure the SB 99 funding, and Ms. Nancy Hawkins, mortgage finance advisor, indicated that unlike a federal or state program where a given amount of funds may be set aside for the Agency, in this case the funds available depend on the ability to market the bonds. She indicated that these were desirable bonds and there were willing investors in the market place to purchase them. Their salability depended on the rating the bonds received and on the interest rates at which they can be purchased. She indicated it had to be presumed there were willing investors. Mr. Glickman asked what would occur if the market was saturated with investors and whether at some point these bonds may not be so attractive. Ms. Hawkins indicated it would depend on the interest rates and also on the tax exemptions as well as the price of the bonds. Mr. Glickman indicated his belief that with the rising interest rates investors would be

NEW BUSINESS (continued)

inclined to make other investments and he inquired how this would affect the marketability of the bonds. Ms. Hawkins responded that the SB 99 bonds were tax-exempt and indicated that there was a substantial market for this type of bonds. In response to Mr. Glickman's inquiry, Ms. Hawkins indicated it was not fair to compare the SB 99 bonds to market rate bonds because of the differences between the bonds since it would depend upon the purchaser's income level. Mr. Glickman again expressed concern that this type of funding may not be available to the extent needed and inquired if it should be used only for subsidized housing. He questioned the use of the bonds in other redevelopment areas. Ms. Hawkins indicated the question was one of the market place and that the bonds have sold well since there was a whole spectrum of investors who want to purchase such bond instruments. She did not anticipate any change in the marketability of bonds if they were well structured and provided a fair return.

Mr. Thomas Callinan of the Pacific Union Development Company came forward and showed renderings of the proposed project to the Commissioners. He indicated that the OCD had recommended this project to the Department of Housing and Urban Development (HUD) and HUD had selected it over many others. The project has been reviewed by appropriate city department and is ready to start no later than February 1, 1979. The architect, Mr. Jorge de Quesada, has used features and special tiling to integrate the project into the existing architecture in the area. Ms. Blomquist asked about its location at 16th and Mission and Mr. Callinan indicated there was a Bank of America on one corner and that he believed the project would provide a dramatic upgrading for this area of the Mission District. Acting President Shelley indicated she had occasion to go to the Labor Council on 16th Street and she was excited about the upgrading this project would have on the neighborhood.

Mr. Glickman asked how long the subsidies would be for and Mr. Callinan replied it would be twenty years, with a five-year renewal, all of which was under FHA control. Ms. Berk asked about the commercial space, and Mr. Hamilton indicated that there would be 6,400 square feet.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that Resolution No. 287-78 be adopted.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that Resolution No. 288-78 be adopted.

Acting President Shelley again expressed her congratulations on a very good concept and the role played by the Agency in this process.

- (i) Appointment of Judith L. Hopkinson as Director of Development.

Mr. Hamilton announced the appointment of Ms. Judith L. Hopkinson as Director of Development. Acting President Shelley indicated her pleasure. In response to Ms. Berk's inquiry, Mr. Hamilton noted she would join the staff January 8, 1979. Ms. Blomquist inquired what her salary would be and Mr. Hamilton indicated it would be \$40,300 annually.

NEW BUSINESS (Continued)

- (j) Travel authorization for Mr. Wilbur W. Hamilton.

Mr. Hamilton requested that this item be removed from the agenda because the travel was for time only of one day and the cost of the travel was borne by the National Association of Housing and Redevelopment Officials (NAHRO). His time was charged to leave and there is no need for any action.

MATTERS NOT APPEARING ON AGENDA

- (a) Request from Goodman Group to make a statement about the building's skylight.

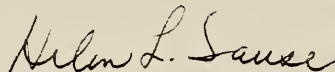
Mr. Niccolo Caldararo from the Goodman Group came forward and indicated he wished to discuss a serious problem regarding the skylight in the Goodman Building. He referred to the sad events of the past week and expressed the hope that the Commissioners would cooperate with the Goodman Group. He indicated that the Group had invited the Commissioners to visit the building and personally investigate the problems because the former Commissioners had not tried to work with the tenants. The Goodman Group had made proposals and presented requests which the present Commissioners had rejected. He alleged that the Agency had refused to repair the skylight since as far back as 1976. He expressed the belief that the Goodman Group always had to make the overtures because the Commissioners would not come to them. He now requested that nothing be done about the skylight because the Goodman Group intended to solve the problem itself. He claimed the tenants were being pushed into a confrontation by the Agency's actions particularly pursuing an agreement with Mr. Alan Wofsy. Acting President Shelley reminded Mr. Caldararo that a number of the new Commissioners including President Wexler, former Commissioner Dr. Williams, Ms. Blomquist, and herself had visited the Goodman Building. In regard to the skylight, the Commissioners had listened to the staff's proposal to repair it and also to the Goodman Group's presentation and had acted several weeks ago in directing that staff proceed to temporarily replace the skylight in the most cost effective way. Unless there was a motion to rescind that action it still continued to remain in effect.

Mr. Caldararo indicated that the Goodman Group had tried to work with the former Commissioners and had been unable to do so. Now the present Commissioners were also unwilling to be cooperative and he believed they were forcing the Goodman Group to a confrontation. Ms. Blomquist indicated her resentment at Mr. Caldararo's remarks and noted that she had spent many hours discussing the Goodman Building with both Mr. Ed Crocker and Mrs. Martha Senger. She also pointed out that the Commissioners had given the Goodman Group an opportunity to bid on the property but they had presented nothing to the Agency. Mr. Caldararo alleged that the Goodman Group had spent \$70,000 on such items as repairs in order to remain in the building and the Agency had deliberately offered the building after all their money had been expended. He asserted that the Commissioners were inviting disaster and that they would be responsible for the consequences.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause  
Secretary



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#4  
12/12/78

MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
12TH DAY OF DECEMBER 1978

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of December 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Charlotte Berk  
Melvin D. Lee  
Parree Porter

and the following were absent:

Dian Blomquist  
Rubin Glickman

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were San Martinez, San Francisco Coalition; Domenic Crociani, Department of Public Health of San Francisco; and Jewel Cooper and Dr. Rayford Redell, San Francisco Hearing and Speech Center.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of November 28, 1978 and the minutes of a Regular Meeting of December 5, 1978, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) During the absense of Mr. Wilbur Hamilton who is on vacation, Mr. Kernan indicated he would serve as Acting Executive Director
- (b) Print Casebooks 3, which is a graphic design magazine published in Washington, D. C., has just awarded a certificate of design excellence for the entrance sign at India Basin to Fong and La Rocca Associates who were the Agency's master landscape consultants for that project.
- (c) The Associated Landscape Contractors of America has just awarded its Grand Award in the Ninth Annual Environmental Improvement Awards Program to the

REPORT OF THE EXECUTIVE DIRECTOR (continued)

firm of A and J Shooter and Associates for their work on Hilltop Park in Hunters Point. The award will be made in Houston on February 7, 1978 in recognition of the firm's superior work.

NEW BUSINESS

- (a) Resolution No. 289-78 authorizing an extension of time for submission of evidence of equity capital and mortgage financing as set forth in the disposition agreement concerning the sale of Parcel 1127-B to the San Francisco Hearing and Speech Center, Western Addition Approved Redevelopment Project Area A-2.

This concerns an extension of time for the submission of evidence of equity capital and mortgage financing by the San Francisco Hearing and Speech Center from December 31, 1978 to July 1, 1979. The Center was approved August 9, 1977 as the developer of the 13,744 square-foot parcel, located on the east side of Divisadero between Eddy and Ellis Streets, and financial evidence was to have been submitted on July 1, 1978; however, fund raising efforts had not been completed. The Commissioners then extended the submission date to December 31, 1978 and since that time the Center was successful in raising in excess of 50 percent of the \$2 million needed for construction costs of the Center. It is anticipated that the Center will be able to meet the financial requirements by July 1, 1979.

President Wexler commented on the excellence of the Center's program and expressed the hope it would be able to complete its fund raising and go forth with the project which he believed would be of benefit to the entire city.

ADOPTION: It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

Mr. Porter indicated that he would like to confer with Ms. Jewel Cooper from the Center on the methods used to raise funds and suggested that he may have some useful proposals for the Center's consideration. Mr. Porter and Ms. Cooper agreed to discuss the matter after the meeting.

- (b) Resolution No. 291-78 approving a personal services contract for reuse appraisal of redevelopment sites with Marshall and Stevens, Inc., and authorizing execution thereof, Hunters Point Approved Redevelopment Project Area.

This concerns execution of a \$10,000 contract for reuse appraisal services with Marshall and Stevens, Inc. to provide evaluations of development sites for single-family housing in Phase III and to assist in the creation of a homeowners association for development and maintenance of the open-space areas. The firm has previously performed appraisal work in Hunters Point and as a result of its competence it is recommended that the three-year contract be approved.

Mr. Lee referred to the total of \$10,000 and indicated his understanding that it would be disbursed in two payments of \$5,000 each over the next three years and Mr. Kernan responded that this was correct and that the first payment would be made when the initial appraisal services had been completed. The

NEW BUSINESS (continued)

balance would allow for services which may be required on the remaining disposition parcels in the project area over the next three years.

ADOPTION: It was moved by Mr. Lee, seconded by Ms Berk, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 275-78 approving and authorizing the Executive Director to execute a letter of agreement with the San Francisco Department of Public Health for rodent control services, all redevelopment projects.

This concerns a letter of agreement with the Department of Public Health for the 1979 rodent control services at a cost not to exceed \$23,000. This provides for the application of an extremely toxic poison which by State law must be administered only by health departments in the extermination of rodents. The services also include rodent control in buildings that are being demolished or moved and the placing of toxic materials in sewers and catch basins within the project areas. The Department of Public Health will use CETA personnel on a part-time basis and the Agency will only have to pay the cost of \$19,000 for a Senior Rodent Controlman and \$4,000 for materials on a time and material basis as those costs occur.

President Wexler inquired about the length of time it was anticipated these would be needed and Mr. Kernan responded that as long as there was any substantial movement or demolition of buildings the law required that a rodent exterminator from the Department of Health must apply the toxic material throughout the area.

Mr. Domenic Crociani of the Department of Public Health came forward and indicated he had been working on this problem for some time particularly in the Western Addition A-2. He reported that the Department has just received a Federal grant to survey the extent of rodent infestation. He explained that the reasons for the increase in rodents was that the rodents reside in the sewers in the project areas and whenever buildings are demolished they escape into the sewer lines and into surrounding neighborhood. The old sewers have not been replaced in Western Addition and continue to harbor the rodents. He indicated there had been many complaints about the pests but as long as demolition continues there would be a problem. He indicated that he had worked throughout the city and had just finished in the Hunters Point and Yerba Buena Center projects where the problem was accentuated by the excavation taking place in these areas. President Wexler inquired if there would be problems even after the project had been completed and if there would be a continuing need for control. Mr. Crociani believed there would be but anticipated that the City would assume responsibility for the problem since he did not anticipate that the Agency could subsidize such work.

Mr. Lee asked how the rodent problem in the project areas compared to the entire city and Mr. Crociani responded that every neighborhood in the city had a proliferation of mice and rats and it was a serious problem.

ADOPTION: It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (d) Resolution No. 295-78 appointing Assistant Agency Secretaries.

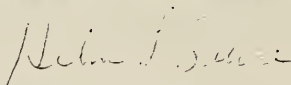
This item concerns appointment of four staff persons as Assistant Agency Secretaries to execute 20,000 Yerba Buena Center lease revenue bonds. Legal advisors for the bond sale have asked that the Agency supplement the four staff members presently serving as Assistant Agency Secretary in the event there is a malfunction of the automatic pen intended for use in executing the bonds. In addition, this action will appoint Mr. Lloyd E. Sinclair as an Assistant Agency Secretary on a permanent basis to formalize his capacity to act for the Agency Secretary in her absence. The four new staff people are appointed for this purpose alone and will serve only in case of malfunction of the automatic pen.

ADOPTION: It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:30 p.m.

Respectfully submitted,



Helen L. Sause  
Secretary



MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
19TH DAY OF DECEMBER 1978

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of December 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President  
Joan-Marie Shelley, Vice President  
Dian Blomquist  
Rubin Glickman  
Melvin D. Lee  
Parree Porter

and the following was absent:

Charlotte Berk

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Wade Woods, Western Addition Project Area Committee (WAPAC); Peter Coyote, California Arts Council; Robert Speer, Beideman Association Neighborhood Group (BANG); Margaret Brady, Parking Authority of the City and County of San Francisco; Sue Bierman, City Planning Commission; Lyman Jee, Arcon/Pacific, Ltd; Ted Frazier, San Francisco Coalition; C. and Maria Galatti, Vida Foundation; Jerry Disane, Stebbins Foundation; Ron Harper, Pride Foundation; Thomas Meeks, Diamond Heights Neighborhood Association; William Mizono, Azumaya, Inc.; Samuel Stuart and Hiba She She, Malcolm X Cultural Center; Ike Guillory, Guillory Construction Company; Frances Miller, Gigi Wylie, Eldoris Cameron, African-American Historical and Cultural Society; Nat Mason, Martin Luther King Development; William Christy, Pillsbury, Madison, and Sutro; Leonard Rogers and Lawrence Feldman, Western Merchandise Mart Corporation; James Bronkema and David Rockefeller, Embarcadero Center; Jack Hopkins, Raymond Clause and George Hoffman, Montage, Ltd.; Inez Frazier, Tooth Trip, Inc.; James Richards, Julia Commer, Paula Young, Leroy Moore, Alvin Norman, Claude Carpenter, James Hawkins, Clarence Bass, Mary Lou Lindsey, and Troy Harrison, Bayview-Hunters Point Joint Housing Committee; Irwin Mussen, Chester Hartman, Ed Crocker, Linda Sones, John Campbell, Stafford Buckley, Anthony Vaughan, Jeanine Strobel, Richard Mayer, Martha Senger, Stephen Taber, Niccolo Caldararo, Arlene Goldbard, Mickey Imura, J. Glidden, Maya Cain, Carolyn Buck, Pat Carey, Paula Cancienne, Bill Reidy, Jon Newton, Win Cottrell, Teresa Jack, Stephen Bickly, Mark Boyajian, and Barbara Hopkins, Goodman Group; Mervyn Goodman and Franklin Dill, Goodman Building; Roslyn Baltimore, housing consultant; and Mrs. Cook, Julia Sheppard, Stuart Fishman, B. Brinkley, Cindy Joe, N. Michell, Jim Faye, and W. Hudson, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; Katy Butler, San Francisco Chronicle; Dwight Gray, KPOO Radio; and Bell Snyder, KPFA Radio News.

## APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the minutes of the Executive Meetings of November 7, 1978 and November 21, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that the minutes of the Regular Meetings of November 14, 1978 and December 12, 1978, as distributed by mail to the Commissioners, be approved.

## SPECIAL APPEARANCES

President Wexler indicated he would entertain a motion to continue the public hearings which are listed with the related items on the agenda so that those in the audience who may be interested in those matters will be assured that these will be considered later in the meeting.

MOTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the public hearings related to Items 9(b), 9(c), 9(g), 9(h), 9(i), 9(k), and 9(l) be continued until the time on the agenda that the subject matter comes up, and that 9(p) be continued until the appropriate time on the agenda after the dinner break at 8:00 p.m.

President Wexler indicated that before going on with the agenda there was a request in connection with 9(p) to allow Mr. Peter Coyote, Chairman of the California Arts Council to make a brief presentation to the Commissioners.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner Mr. Peter Coyote would be permitted to make a brief presentation. There being no objection, it was so ordered.

Mr. Peter Coyote came forward and urged that the Commissioners postpone making any decision in connection with the Goodman Building. He indicated he had been in contact with Mr. Knox Mellon and Ms. Kathryn Kaiser of the State Historic Resources Commission. He believed that one reason the Goodman Building had not been considered a "cultural resource" was because the State guidelines required that artists must have lived in the building for fifty years. This requirement is a problem in the United States where few artists could remain in a building for such a time. He alleged that in the case of the Goodman Building, artists have been in the building fifteen to twenty years and are now being forced to move so a developer can realize a tax write-off by rehabilitating the structure. On the basis of a report from the California Arts Council which had been prepared to advocate the cultural resource aspect of the Goodman Building, the State Historic Resources Commission will conduct a hearing to consider this aspect of the building on January 5, 1979. He again urged that the Commissioners postpone any decision until the State had had an opportunity to review the report of the California Arts Council. Mr. Coyote indicated that Ms. Kaiser had suggested an acceptable alternative which seemed feasible. This alternative involved the possibility of dividing the property and allowing the Goodman Group to do the rehabilitation of the Goodman Building and the developer could renovate the other apartments known as the Myrtle Street flats. Mr. Coyote urged the Commissioners to consider this alternative and act to facilitate resolution of the issue in this way because there is no place in the city where a cooperative community of artists could live.

SPECIAL APPEARANCES (continued)

Mr. Coyote urged that the alternative of the property division be pursued and indicated that for the past fifteen years he had been hearing criticism about the Manhattanization of San Francisco which was pushing families out and making it impossible for them to live as a community. He believed that whatever problems the Goodman Building had it was still occupied by a viable community of people with a history which would be recognized by the State, and he again asked that any decision be postponed.

- (a) Public hearing to hear all persons interested in the Golden Gateway, Embarcadero Lower Market Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the Golden Gateway Embarcadero-Lower Market Redevelopment Plan. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (b) Public hearing to hear all persons interested in the Yerba Buena Center Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the Yerba Buena Center Redevelopment Plan.

Mr. Jerry Disane of the Stebbins Foundation for Community Facilities came forward and indicated that the Foundation was interested in a site in the area for senior-citizen housing which would include facilities to provide community services in the south of Market area. He indicated that in addition to the immediate need for housing there was a need for services to make this a desirable location for senior citizens to live. He noted that the elderly residents had limited budgets and needed to have services provided in their own neighborhoods. He believed that some funds would be provided by the Board of Supervisors and he was working with an architect and housing consultant to fulfill the multiple needs of the area's residents.

Mr. Hamilton indicated that the Agency had many discussions with representatives from the Stebbins Foundation and shared their concern about providing services in Yerba Buena Center. He noted that sites were limited in the project area and that there were prior outstanding obligations to be considered under existing agreements, however, he assured Mr. Disane that the Stebbins Foundation would be part of the considerations.

- (c) Public hearing to hear all persons interested in the Hunters Point Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the Hunters Point Redevelopment Plan. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (d) Public hearing to hear all persons interested in the India Basin Industrial Park Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the India Basin Industrial Park Redevelopment Plan. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

SPECIAL APPEARANCES (continued)

- (e) Public hearing to hear all persons interested in the Western Addition Area A-2 Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the Western Addition Area A-2 Redevelopment Plan. A member of the audience inquired what the project boundaries were, and Mr. Hamilton responded that the project was bounded on the north by Bush Street, on the west by St. Joseph's Street, on the south by an irregular boundary from Golden Gate Avenue and on the east by Van Ness Avenue. A member of the audience identifying herself as Miss Cook inquired if the Agency was required to provide an environmental impact report on Western Addition A-2 and Mr. Borregard responded that there had been no requirement for an EIR in that project. There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (f) Public hearing to hear all persons interested in the Diamond Heights Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the Diamond Heights Redevelopment Plan. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

- (g) Public hearing to hear all persons interested in the Stockton/Sacramento Redevelopment Plan.

President Wexler opened the public hearing to hear all persons interested in the Stockton/Sacramento Redevelopment Plan. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

In response to President Wexler's inquiry, Mr. Hamilton indicated that these hearings were required by State law to be held every other year in regard to the status of the Agency's redevelopment projects.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Golden Gate Apartments at Sutter, Post, and Buchanan Streets in the Western Addition Area A-2, consisting of 72 units, have now been fully rented with 41 units going to holders of Certificates of Preference.
- (b) At the Executive Meeting of December 12, 1978 the Commissioners offered the position of Project Manager of Yerba Buena Center to Mr. Douglas C. Myers, who has accepted it and will commence January 15, 1979, at Salary Schedule Plan 50.0 at \$33,254 annually.

UNFINISHED BUSINESS

- (a) Consideration of reoffering policy for former owners of property at 685-91 McAllister and 630-46 Gough Streets, Western Addition Approved Redevelopment Project Area A-2.



UNFINISHED BUSINESS (continued)

This concerns a policy governing reoffering of property to former owners which staff has proposed for consideration by the Commissioners. The need for developing a formal reoffering policy was made known during consideration of reoffering the building at 685-91 McAllister and 630-46 Gough Streets to its previous owner. The policy for consideration recommends that reofferings be limited to former owner-occupants of buildings from one to four units. There is no legal requirement for the Agency to make such reofferings and it will require a waiver from HUD to permit each reoffering. The proposal to extend the preference to owner-occupants of one to four units is consistent with the Federal Housing Administration (FHA) and Department of Housing and Urban Development (HUD) regulations for mortgage loans for properties of four units or less. Mr. Hamilton recommended adoption of the policy to authorize reoffering to former owners of properties of from one to four units and the public offering of the McAllister/Gough Street property for sale for all uses permitted in the Redevelopment Plan. Certificate holders will be given preference.

President Wexler commented that it appeared if this general policy were adopted it would be required to publicly offer the McAllister Street property, and Mr. Hamilton concurred because that property exceeds four units. In response to President Wexler's inquiry, Mr. Hamilton indicated that the policy was limited to owner-occupants at the time the property was acquired on the premise that the person who was inconvenienced by being displaced should have an advantage of reacquiring his home. Mr. Glickman concurred in the proposed distinction noting that it conformed with owner-occupant's premises and limiting speculative opportunities.

President Wexler noted that the Commissioners would consider a policy providing an opportunity to a prior owner when property acquired for demolition can be retained. The property that was formerly owned by Mrs. Esther Hirsch, is not being specifically considered and the merits of proposals for use of that property will be evaluated if the Commissioners decide to offer the property publicly.

Ms. Gigi Wiley of the Malcolm X Cultural Center came forward and indicated that she had been notified that a new policy was to be considered today but had not seen it. She asked that the Center be advised and provided with a copy of the policy and suggested that people be allowed a week's notice prior to such consideration. She urged that the Agency make this type of early notice a part of its procedure alleging that other commissions provided time for the public to be notified of its agenda.

President Wexler responded that he was unaware of how other agencies notified interested parties but that this is an inherent problem since this Agency meets weekly, the agenda is not completed in time to provide a week's notice. He noted that as part of its public service efforts the Agency does make rent free space available for community groups in Agency-owned buildings with the understanding that at some time it would become necessary to take back the buildings for the original use for which they were acquired. President Wexler indicated that community groups could possibly obtain funds to acquire such structures but that consideration was unrelated to the question of whether buildings were to be put out to public bid. Ms. Wylie believed that it was necessary to see the proposed policy in order to be responsive.

UNFINISHED BUSINESS (continued)

Ms. Shelley inquired if it would create a problem if the matter were held over, since she had just received the policy statement and believed it may be difficult for others who are interested to put together their presentation on short notice. Mr. Hamilton responded that there was no problem in delaying the matter, therefore, as it was a policy of the Commission being considered he knew of no reason not to delay the matter.

President Wexler indicated that everyone would have an opportunity to be heard on the subject and Mr. Glickman suggested that community groups meet with staff to review the proposed policy. Ms. Wylie stated that staff had been helpful in providing information on the proposed policy but noted that it was difficult to formulate an opinion without seeing a copy of the policy.

Mr. George Hoffman, Attorney for Mrs. Esther Hirsch, came forward and indicated his understanding that the suggested change in policy would eliminate any preference of rights for the prior owner to repurchase the McAllister Street property because it was a business property and had more than four units. Mr. Glickman confirmed this understanding and noted that the policy related to residential rather than business property. Mr. Hoffman expressed concern that the Agency was eliminating the rights of every prior owner to reacquire their property unless it was from one to four units and owner-occupied at the time of acquisition. In the case of business property Mr. Hoffman presumed the owner must have also been in business in the property itself. Mr. Glickman reiterated that the policy applied only to residential property. Mr. Hoffman inquired what the Agency would do with property that was a combination of residential and business, and Mr. Hamilton responded that the policy related only to residential property and the McAllister Street building was not included since it contained 24 units. Mr. Glickman suggested that the item be held over for two weeks to enable those interested in the matter to discuss the proposed policy. Mr. Hoffman concurred noting that he would like to meet with staff to determine exactly what was being recommended. In response to President Wexler's inquiry Mr. Hamilton concurred that the matter could be held over. Mr. Nat Mason, Martin Luther King Development, indicated his support of the policy but wished an opportunity to review it. Mr. Jack Hopkins, attorney for Montage, Ltd., came forward and indicated that this matter had been under consideration since last July and there had been no decision made on this policy. He believed that it was a question of individual rights versus governmental rights and that the Agency had acquired this property many years ago through eminent domain and that it should be reused as soon as possible. He indicated that in 1961 under the authority of ordinances Nos. 80-60 and 84-60 the Agency had purchased the property from Mrs. Hirsch and that the purchase contract indicated what would be done with this property and since it was not used for these specific purposes the Agency was violating the contract. He believed those ordinances were still pertinent but in response to inquiries, he did not have copies of those ordinances. President Wexler suggested that copies of the ordinances be provided to the Agency.

Mr. Raymond Clausen of Montage, Ltd. expressed the belief that no delay was necessary and urged that the Commissioners approve the repurchase by the prior owner because Montage had the financial means to develop the property. He expressed concern that delays cost money and asked for a prompt decision

UNFINISHED BUSINESS (continued)

by the Commissioners. He also observed that the El Shabazz School had been in the property but had done nothing to renovate it. Ms. Shelley indicated that she had requested a delay to provide an opportunity to evaluate the proposed policy on reoffering property. She did not believe action should be taken in formulating a policy until everyone had an opportunity to study it. Mr. Clausen indicated that he believed Montage, Ltd. had been given approval to acquire the property last July. President Wexler stated that this was a misunderstanding because the Commissioners had not acted on repurchase of the property. He indicated that the Commissioners as public officials had the responsibility to see that policies were thoroughly considered, however, he was cognizant that delays did cost time and money.

MOTION: It was moved by Mr. Lee and seconded by Mr. Glickman that consideration of reoffering policy for former owners of property at 685-91 McAllister and 630-46 Gough Streets, Western Addition Approved Redevelopment Project Area A-2, be held over for two weeks.

Ms. Inez Frazier came forward and indicated she was the director of the youth program at 691 McAllister Street and had been serving youths who were unable to find work. Over 500 young people had been aided and she wished to continue occupation of the premises to continue this work.

Mrs. Mary Rogers of WAPAC came forward and indicated that she believed staff had not had sufficient time to meet with community groups and that meetings should be arranged to discuss the policy with the community.

MOTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that consideration of reoffering policy for former owners of property at 685-91 McAllister and 630-46 Gough Streets, Western Addition Approved Redevelopment Project Area A-2, be held over for two weeks.

- (b) Resolution No. 276-78 designating certain newspapers to be official newspapers of the San Francisco Redevelopment Agency for specified categories of official advertising and designating certain other newspapers to be used for informational advertisements and notices.

Mr. Hamilton indicated that at a previous meeting staff had proposed designation of the San Francisco Progress to be used for publication of official notices and advertising in addition to the San Francisco Examiner. At the meeting of November 6, 1978, the Commissioners had also requested staff to develop a proposal for use of community-based newspapers for such notices and advertisements. The type of advertising being considered includes offerings, notices, invitations to bid, advertising of vacant positions, notices of public hearings, and advertisement of project notes. After evaluation of community papers, the neighborhoods served by them, and the circulation, staff recommends that the Agency also use the Sun Reporter, the Nichi Bei Times, the Hokubei Mainichi, the El Bohemio Magazine, the Philippine News, the Chinese Times, and the East West publications for informational purposes.



UNFINISHED BUSINESS (continued)

Placing advertisements in these papers would increase advertising costs since the San Francisco Examiner charges \$1.60 per line, the Progress, 80 cents per line, and the use of the community papers, in addition to the Progress and Examiner, would cost approximately \$10.90 per line. Mr. Hamilton again recommended approval of the Progress in addition to the Examiner for official advertisements and also the use of certain community-based papers when the information to be published involved a matter of direct interest to the ethnic community to be served by that newspaper.

Mr. Wexler believed a worthwhile purpose was being served in advising community people on items of interest although there would be a significant increase in cost of advertising. He inquired whether Mr. Hamilton believed it was appropriate to review this policy after a specified period to determine whether there was any benefit derived out of the increased expenditure. Mr. Hamilton expressed the belief that it would be difficult to measure or identify tangible benefits but indicated that he assumed the items would be of interest to some persons reading these community papers who would not otherwise see such notices. It may be possible to assess response to certain offerings but believed that the real benefit was the capacity of reaching people through community papers who are not presently being addressed by use of the Examiner and Progress. President Wexler concurred with that assumption but wished to know if there was some mechanism to evaluate the results to see if these goals were being achieved. Mr. Hamilton indicated it would be difficult to do.

Mr. Porter suggested that those responding to advertisements could be asked where they had learned about the information or services involved. This would give an indication of the people being reached. President Wexler requested that within a six-months period some way be found to ascertain if the increased expenditure for advertising was producing the desired results. Mr. Hamilton indicated that he would use whatever methods are available to learn from people how the news reached them. Mr. Porter agreed that the effect of the broader advertising would be to give people more knowledge and concurred with Mr. Hamilton that an assumption had to be made that the pertinent information reached those who needed it.

Mrs. Rogers indicated that she had requested that advertising be done in community papers to make individuals more aware of what was going on in their neighborhoods, and the newspapers mentioned would be widely read.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS

(a) Election of officers.

President Wexler indicated that the Agency's Bylaws required that an annual election of officers be held at the last regular meeting of the year or the first meeting of a new year. He then opened the meeting for nominations.

Ms. Shelley nominated President Wexler for the office of President and moved that he be designated as Chairman of the Agency for purposes of the authorized sale, execution, and delivery of the Agency's lease revenue bonds for 1979. Mr. Glickman seconded the motion.



NEW BUSINESS (continued)

Mr. Porter inquired if the Chairman had duties that were different from those of the President, and Mr. Borregard answered negatively noting that the title of Chairman in the Bylaws was renamed "President"; however, it is advisable that there be no question as to the authority of the President to act as Chairman with respect to the execution of these bonds. It was a formality believed necessary to avoid any confusion. President Wexler indicated that state law referred to the Agency's presiding officer as "Chairman" and this resolution will prevent any confusion between the title of Chairman and President.

Mrs. Rogers suggested that since President Wexler had been nominated for that office he should turn the Chair over to someone else when this nomination was considered. President Wexler indicated his appreciation of her desire to adhere to proper form but it was appropriate to continue the Chair during the election. He stated that a roll call vote would be taken according to Roberts Rules of Order.

President Wexler inquired if there were any further nominations. There were none.

MOTION: It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the nominations for President be closed.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Glickman that President Wexler be nominated for the office of President and that he be designated as Chairman of the Agency for the purpose of the authorized sale, execution, and delivery of the Agency's lease revenue bonds for 1979, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Porter

and the following voted "Nay":

None

and the following abstained:

Mr. Wexler

The President thereupon declared that the motion carried.

President Wexler was unanimously elected President of the Agency for the year of January 1, 1979 to December 31, 1979. President Wexler thanked his fellow Commissioners for their vote of confidence and indicated his pleasure in serving with them.

NEW BUSINESS (continued)

Mr. Glickman nominated Ms. Shelley for the office of Vice President, and Mr. Lee seconded the motion. President Wexler inquired if there were any other nominations. There were none.

MOTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that nominations for Vice President be closed.

MOTION: It was moved by Mr. Lee and seconded by Ms. Blomquist that Ms. Shelley be nominated for the office of Vice President, and on roll call the following voted "Aye":

Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Porter  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

Ms. Shelley

The President thereupon declared that the motion carried.

Ms. Shelley was unanimously elected Vice President of the Agency for the year of January 1, 1979 to December 31, 1979.

Mr. Glickman nominated Mrs. Helen L. Sause for the office of Secretary, and Ms. Blomquist seconded the motion.

MOTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that nominations for Secretary be closed. Mrs. Sause was unanimously elected Secretary for the year of January 1, 1979 to December 31, 1979.

Mr. Glickman nominated Mrs. Jane P. Hale for the office of Treasurer, and Ms. Shelley seconded the motion.

MOTION: It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that nominations for Treasurer be closed. Mrs. Hale was unanimously elected Treasurer for the year of January 1, 1979 to December 31, 1979.

MOTION: It was moved by Mr. Porter to reaffirm Messrs. Wilbur W. Hamilton and Redmond F. Kernan as Executive Director and Deputy Executive Director, respectively, and Mr. Lee seconded the motion. Messrs. Hamilton and Kernan were unanimously reaffirmed as Executive Director and Deputy Executive Director of the Agency.

NEW BUSINESS (continued)

- (b) Resolution No. 296-78 extension of exclusive negotiating rights for the Presbyterian Church in Chinatown, Stockton/Sacramento Approved Redevelopment Project Area.

This item concerns a six-months' extension of exclusive negotiating rights of the Presbyterian Church in Chinatown for the Stockton/Sacramento housing project, which was necessitated by the serious cost problems that have rendered the project infeasible. The extension will permit the sponsor at his request an opportunity to determine what further cost reductions are possible. Meetings are currently underway which will permit a more accurate assessment of the time involved in the possible modification of the development. Staff will advise the Commissioners of the status of the project. Mr. Hamilton indicated that another contractor was now involved in the discussions and he may be able to find a way to reduce costs on this project which has been in the stream for some time.

Mr. Lee suggested that instead of giving a six-months' extension to the sponsor that three months be given because this project has been in process for two years, which he believed was too long. It was Mr. Lee's belief that three months would be sufficient time to provide a status report to the Commissioners.

MOTION: It was moved by Mr. Lee and seconded by Mr. Glickman that a three-months' extension be granted for exclusive negotiating rights for the Presbyterian Church in Chinatown instead of six months.

President Wexler concurred in Mr. Lee's motion and commented that housing was so desperately needed for the Chinese community and it was desirable to act as soon as possible to get the housing built. A representative from the Presbyterian Church commented that although a longer time period would have been preferable the three-months' period would be acceptable. President Wexler indicated that the shorter time limit would serve to get information back to the Commissioners quickly and a further extension could be granted.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted and that the Presbyterian Church in Chinatown be granted a three-months' extension for exclusive negotiating rights, Stockton/Sacramento Approved Redevelopment Project Area.

- (c) Public hearing to hear all persons interested in the matter of assignment and transfer of interest to Embarcadero Center No. 4, Golden Gateway Disposition Parcel A-2, portion of Assessor's Block 233, Golden Gateway, Embarcadero-Lower Market Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of assignment and transfer of interest to Embarcadero Center No. 4, Golden Gateway Disposition Parcel A-2, portion of Assessor's Block 233, Golden Gateway, Embarcadero-Lower Market Approved Redevelopment Project Area.

Mr. James Bronkema of the Embarcadero Center came forward and indicated that this assignment and transfer of interest was essential in arranging for financing of the new partnership through the Prudential Insurance Company

NEW BUSINESS (continued)

on a fifty-fifty basis. Each partner would supply equal amounts of financing. Mr. Bronkema indicated these arrangements were similar to those for Embarcadero Center 2 and the Hyatt Regency Hotel, but the difference was that rather than Prudential joining as a partner upon completion of the project that it become an equal partner with the Embarcadero Center at the beginning of the project. There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 297-78 authorizing assignment and transfer of interest in Disposition Parcel A-2, Embarcadero Center No. 4, and ratifying publication of notice of public hearing in connection with such transfer, Golden Gateway, Embarcadero-Lower Market Approved Redevelopment Project Area.

This concerns assignment and transfer of interest by the Embarcadero Center to a new investor partnership known as "No. 4 Embarcadero Center Venture" composed of the existing Embarcadero Center partnership and Prudential Insurance Company. Embarcadero Center and Prudential will be equal partners. The proposed assignment and transfer will reinforce financing of the Embarcadero 4, estimated to cost approximately \$113 million. Embarcadero Center will contribute its interest in the Embarcadero Center No. 4 site under a partnership agreement to the No. 4 Embarcadero Center Venture and in exchange Prudential will lend the estimated \$83 million for the combined construction and permanent mortgage loan needed for the Embarcadero Center Venture. There is no cash consideration payable to Embarcadero Center and the proposed transaction does not violate the anti-speculation provisions of the disposition agreement which is subject to the Department of Housing and Urban Development (HUD) approval. Staff recommends approval of the proposed transfer and assignment.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Porter that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Porter  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

- (d) Resolution No. 298-78 extension of exclusive rights of Vida Foundation to negotiate for the purchase of Parcel J-1, Diamond Heights Approved Redevelopment Project Area B-1.



NEW BUSINESS (continued)

This concerns a six-months' extension of exclusive negotiation rights to Vida Foundation for Parcel J-1 in Diamond Heights. The Foundation is continuing to seek HUD approval of a Section 8 subsidy for the twenty studio and one-bedroom units proposed for construction on this site for use of the physically handicapped. The extension would permit the Foundation to determine the feasibility of its development proposal.

Mr. Glickman indicated his support for this development and stressed his desire to see this project move ahead quickly and suggested cutting the negotiation period to three months.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Blomquist that a three-months' extension of exclusive negotiating rights to Vida Foundation for Parcel J-1, Diamond Heights Approved Redevelopment Project Area B-1 be granted.

Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that the preapproval process would take three months and the approval process of the Section 8 rental assistance payments would take six months. He believed a six-months' extension was essential to conform with this schedule. Mr. Glickman indicated he withdrew his motion.

Mrs. Maria Galatti came forward and indicated that Vida Foundation was working on the matter every day to expedite development and have it completed quickly. She indicated that the time schedule was beyond the Vida Foundation's control and asked that a six-months' extension be granted.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 299-78 granting the Western Merchandise Mart Corporation exclusive negotiating rights for Parcel 3735-A, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the developers was a client of his law firm, Feldman, Waldman, and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

This item concerns granting of exclusive negotiating rights for Parcel 3735-A, consisting of 33,835 square feet located on the southeast corner of Third and Howard Streets in the Yerba Buena Center, to the Western Merchandise Mart Corporation for construction of a ten-story merchandise mart. The sixty-day designation period until February 21, 1979 will permit staff to coordinate design and development proposals from the mart with the Parking Authority, which is contemplating development of a 750-space public parking garage on the adjacent parcel. The merchandise mart and parking garage would be constructed independently of one another but the design and scheduling of construction would be coordinated. The mart would provide a building for operation of a wholesale gift mart with the capacity to be converted, if necessary, to an office building. Principals of the merchandise mart are

NEW BUSINESS (continued)

Messrs. Larry W. Feldman, President; Leonard Rogers, Secretary-Treasurer; and Alvin Dworman, Vice President. These individuals have previously developed projects in other redevelopment areas and the staff has been impressed with their commitment.

Ms. Blomquist inquired if there were any signs on this property informing the public that it was available for development. Mr. Hamilton responded that not all parcels in Yerba Buena Center were posted with development offerings or signs and Mr. Michael Mann, Business Development Specialist, indicated that there were no signs on this particular parcel. Ms. Blomquist expressed concern that it was not generally known that the parcel was available. Mr. Hamilton responded that it was general knowledge that land in Yerba Buena Center was available, but no public notices of this particular parcel had been posted.

Mr. Glickman indicated his concern about the development of Yerba Buena Center and noted that he was pleased these developers were ready to go ahead with this project which was one of the first major developments in the area. It was his belief that a developer of this caliber could successfully complete the development just as they had done in previous developments in which they had participated in other Agency project area.

Mr. Larry Feldman of the Western Merchandise Mart Corporation came forward and indicated his appreciation of Mr. Glickman's comments. He recalled his association with the Agency went back to 1962 when his firm participated in the Golden Gateway. He had also worked toward the building of St. Mary's Cathedral and built several other developments in project areas. In connection with the proposed \$10 million merchandise mart, Mr. Feldman indicated that 150,000 buyers annually would use the 180-to-200-showroom facilities and spend their money in the city's hotels and restaurants. Because of the demand for wholesale gift and gourmet centers, the developers became interested in finding a site near the Yerba Buena Center exhibit hall since the two uses are complementary. The convention center has already booked gift and gourmet shows. Mr. Feldman indicated the plans have been drawn and he introduced Mr. Leonard Rogers who would be the operating manager of the mart.

Mr. Lee noted that six months earlier Mr. Feldman had indicated the mart was nearly fifty percent leased and asked about the current status of the leases. Mr. Feldman replied he had not pursued leasing any further but the mart controlled approximately fifty percent of the capital tenancy. Ms. Blomquist asked about the existing mart, and he responded that the furniture business people would absorb this space.

Mr. Leonard Rogers came forward and indicated that the Western Merchandise Mart had been located on Market Street since 1951 and he believed the mart would establish San Francisco as the preeminent buying center for the West Coast. He noted that the gifts and gourmet wares drew over 150,000 buyers annually and that over 1,000 permanent employees will work daily in the proposed new building. He believed the new mart would create many job opportunities since visiting buyers using space, hired workers to remodel or redecorate their display space for shows during the year.

NEW BUSINESS (continued)

Ms. Margaret Brady, Director of the Parking Authority of the City and County of San Francisco, came forward and indicated that her purpose in being present was to ask that the Parking Authority be designated as the developer of Parcel 3735-D on Third and Clementina Streets. She complimented staff in working to provide attractive public parking in Yerba Buena Center. Ms. Brady indicated that the Agency's staff had contacted her when the merchandise mart developers had asked for a parcel and had indicated that another parcel was available which would not be needed for the mart. A 750-car parking garage could also be constructed on this parcel and be made available to the convention center and theme park. She expressed appreciation of the cooperation received from the mart developers and also from Mr. Jorge DeQuesada who was the architect for the Merchandise Mart Annex and who helped with the preliminary plans.

Ms. Shelley asked if the agenda item also concerned designation of a parcel for parking, and Mr. Hamilton responded that it did not and indicated that this would be taken up as a separate item. He suggested that because of the relationship between the mart and the parking issue and also the need for some further discussion with the City's Chief Administrative Officer that if the Commissioners acted today on the Parking Authority proposal, they only grant exclusive negotiating rights so that the matter would also be brought back before the Commissioners in sixty days.

MOTION: If was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

President Wexler returned to the podium and resumed the Chair.

After receiving Mr. Hamilton's opinion that designation of the Parking Authority parcel did not represent a conflict, President Wexler entertained a motion regarding the negotiating rights for the Parking Authority.

ADOPTION: It was moved by Ms. Shelley and seconded by Mr. Porter that exclusive negotiating rights be granted to the Parking Authority of the City and County of San Francisco for Parcel 3735-D Yerba Buena Center Approved Redevelopment Project Area, for a period of sixty days to February 21, 1979, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Porter  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

NEW BUSINESS (continued)

- (f) Resolution No. 300-78 authorizing the Executive Director to execute an extension of thirty days to the contract with the Bayview-Hunters Point Joint Housing Committee as the Project Area Committee, Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

This item concerns an extension of the Bayview-Hunters Point Joint Housing Committee contract for thirty days until January 31, 1979 to allow time for the Committee's new Board of Directors to evaluate its 1979 budget and contract. Monthly expenditures have averaged about \$6,600 and it is recommended that this amount be authorized for expenditure from the unexpended \$15,000 in the 1978 budget, which represents money already available.

Mr. James Wilson, Area Director for Hunters Point and India Basin Industrial Park Projects, came forward and introduced some of the new officers of the Joint Housing Committee, among whom were Mr. James Richards, Chairman; Paul Young, Vice Chairman; Julia Commer, Secretary; Clarence Bass; James Hawkin; Troy Harrison; Irene Harris; Mary Lou Lindsay; Claude Carpenter; Leroy Moore; and Alvin Norman.

President Wexler noted that the resolution did not specify the dollar amount, and Mr. Hamilton indicated that this would be inserted after the third line to read "not to exceed \$6,600 through 1978". President Wexler inquired if January was the final month under the 1978 Community Development budget and if it was anticipated that new funds would be allocated for 1979 on February 1, 1979, and Mr. Hamilton concurred. President Wexler congratulated the Committee on its election and expressed the desire of the Commissioners to continue the Agency's good relationship with the community.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (g) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-8 to Mizono Brothers partnership, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-8 to Mizono Brothers partnership, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 301-78 approving the sale of Parcel A-8 to Mizono Brothers partnership and the minimum disposition price, ratifying and confirming publication of notice of public hearing, authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns disposition of a 94,771 square-foot parcel to Mizono Brothers for \$157,500 in India Basin to be used for construction of a 40,000 square-foot concrete, tilt-up building occupied by Azumaya, Inc. to produce such food products as tofu and won ton noodles. The firm presently employs thirty persons on a full-time and part-time basis and will immediately add from seven to nine employees after completion of the new facility. It is



NEW BUSINESS (continued)

anticipated that from fifteen to twenty new jobs will be available over the next two years. Preliminary plans are due on February 1, 1979 and evidence of financing will be July 1, 1979, with completion of construction anticipated no later than September 1, 1980. Mr. Hamilton indicated the firm had been in business in San Francisco for thirty years. President Wexler inquired if there were any recommendations from the Joint Housing Committee, and Mr. Wilson indicated it had approved the development in June. Mr. William Mizono of Azumaya, Inc. came forward and indicated the firm's eagerness to start construction next year, and President Wexler wished him well.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that this resolution be adopted.

- (h) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 1126-C and 1126-F to Stan Hicks, a single man, and Ether Hicks, a widow, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 1126-C and 1126-F to Stan Hicks, a single man, and Ethel Hicks, a widow, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 302-78 ratifying publication of notice of public hearing for Parcels 1126-C and 1125-F and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a disposition agreement for two parcels in Western Addition Area A-2 to Stan Hicks and Ethel Hicks for development of six units on the two sites. Parcel 1126-C will be developed with four three-bedroom, two-bath units renting for approximately \$474 per month each. The disposition price is \$11,200 and construction will cost \$255,600. Parcel 1126-F will be developed with two three-bedroom, three-bath units for personal occupancy by the Hicks which if rented would be approximately \$450 per month. The disposition price is \$10,400 and construction will cost \$95,000. The preliminary plans for both sites have been approved by the Agency architectural division and evidence of equity capital and commitment for mortgage financing is due April 15, 1979. WAPAC has also reviewed the proposals and recommended them.

President Wexler inquired how the proposed development related to adjacent buildings, and Mr. Edmund Ong, Chief of Architecture, indicated that basically they were of the same two-story scale but the Ellis Street corner site was somewhat larger. The development is a two-story townhouse twenty-five feet in width with exterior shingles.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (i) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-E to Robert J. and Julia M. Sheppard and Herman M. and Baldwin Cline, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 780-E to Robert J. and Julia M. Sheppard and Herman M. and Baldwin Cline, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President declared that public hearing closed.

Resolution No. 303-78 ratifying publication of notice of public hearing for Parcel 780-E and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a disposition agreement for a 2,535 square-foot parcel in Western Addition A-2 to Mr. and Mrs. Robert Sheppard and Mr. and Mrs. Herman M. Cline for \$4,200 to develop three residential units. Preliminary plans have been approved, mortgage financing evidence is due June 15, 1979, and construction costs are estimated to be \$200,000. President Wexler inquired if there were any detailed renderings available, and Mr. Ong responded that architectural drawings were detailed indicating the three-story building would be thirty feet wide with a garage underneath and have a stucco and heavy wood trim exterior, as well as balconies with metal railings and aluminum windows. Mr. Lee indicated that he would like to see the appraisal reports as would Mr. Porter, and Mr. Hamilton indicated these would be made available to the Commissioners since these were public documents. Mrs. Sheppard expressed her belief that the building would enhance the neighborhood.

ADOPTION: It was moved by Mr. Lee, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 304-78 approving the method of sale and minimum disposal prices for Parcels S-1 through S-5, approving placement of advertising, and making certain findings and determinations in connection therewith, Hunters Point Approved Redevelopment Project Area.

This item is in connection with the offering of five sites for development of single-family housing in the Phase III area of the Hunters Point project at fixed prices with competition on other-than-price basis. Certificate of Preference holders will be given priority in the redeveloper selection process. Authorization is also requested for an expenditure of \$3,500 for advertising in the San Francisco Examiner, San Francisco Chronicle, and San Francisco Progress, as well as the Sun Reporter and Bay Area real estate and community publications. The total land disposition value is \$666,000 and the total number of units permitted is 129. Mr. Hamilton indicated that the selection of developers will be based on a number of factors, including architectural quality and degree of compliance of the design objectives of the proposal, demonstrated ability of the design team, economic feasibility of the proposal, financial capacity of the developer, the ability of the developer to proceed expeditiously with development of the site, and the ability to provide quality home ownership at the lowest cost. He recalled that on October 24, 1978, the

NEW BUSINESS (continued)

Commissioners had approved the marketing plan and staff had provided a draft copy of the offering brochure at that time.

Ms. Blomquist inquired how much the brochure would cost, and Mr. Hamilton indicated the estimate was not yet available but printing of the brochure would be done in-house and no expenditures would be made outside the Agency. Ms. Blomquist noted that the brochure for the Wolfe House in Yerba Buena Center was done in-house and there had been an estimate available.

President Wexler inquired if the reason for the request was for one brochure that would be used for the site plan to facilitate and expedite development of the project, and Mr. Hamilton responded affirmatively. Mr. Redmond Kernan, Deputy Executive Director, indicated that staff wished to make a few changes to the offering brochure. One of these changes is a minor adjustment in the language concerning Site S-5 which indicated that the developer must use the Agency's architectural plans on that site. It will instead specify that no changes would be made on any of the site plans. By modifying this language slightly more developers may be interested since it allows some flexibility.

President Wexler indicated his understanding that the staff was only concerned with siting of the building rather than in imposing architectural design requirements, and Mr. Kernan confirmed this statement and indicated that the modified language would allow for this. President Wexler believed the response would indicate the market for housing needs and that this was a significant opportunity to improve the economic ratio at Hunters Point and meet some of these housing needs by moving forward quickly. Mr. Hamilton indicated the staff was aggressively pursuing this objective. Mr. Wilson indicated that the Joint Housing Committee had concurred in this development.

ADOPTION: It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (k) Public hearing to hear all persons interested in the matter of the proposed assignment and transfer of Parcel 1100-F to Isaac P. Guillory, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed assignment and transfer of Parcel 1100-F to Isaac P. Guillory, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 305-78 authorizing transfer and conveyance of Parcel 1100-F and ratifying publication of notice of public hearing in connection with such transfer, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item concerned transfer of the partnership interest for property under construction at the southeast corner of Divisadero and O'Farrell Streets to Isaac P. Guillory from the original partnership of William P. Harrington and Mr. Guillory who have terminated their partnership. No new partners are involved and one-half of the partnership's expenditures of \$73,607 will be transferred to Mr. Harrington. This assignment does not violate the anti-speculation provisions in the disposition agreement.

NEW BUSINESS (continued)

At this time Mr. Glickman excused himself from the meeting, at 6:45 p.m.

Mr. Guillory came forward and indicated he was pleased to be part of the Western Addition Area A-2 as a general contractor and developer of housing. President Wexler inquired about the effect of Mr. Harrington's departure, and Mr. Guillory responded it would have no effect on the development.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (1) Public hearing to hear all persons interested in the matter of the proposed dedication and conveyance of Hilltop Park, Disposition Parcel DD-1, to the City and County of San Francisco, Hunter's Point Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed dedication and conveyance of Hilltop Park, Disposition Parcel DD-1, to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter the President declared the public hearing closed.

Resolution No. 306-78 rescinding Resolution No. 234-78, adopted September 26, 1978, and authorizing execution of conveyance instruments and ratifying and confirming publication of a notice of public hearing in connection with the dedication and conveyance of Disposition Parcel DD-1 to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area.

This concerns rescinding Resolution No. 234-78, adopted September 26, 1978, authorizing conveyance of Hilltop Park to the City. That resolution proposed that the City maintain the park after September 19, 1979. During consideration by the Finance Committee of the Board of Supervisors, it was recommended that the Agency provide maintenance of the park until the Agency's physical activities in Hunters Point were completed, after which the City would assume responsibility. Maintenance funds are to be authorized as an annual expenditure in the Community Development budget and this action rescinds the previous resolution and approves conveyance of Hilltop Park on Whitney Young Circle with the new maintenance provisions. Mr. Porter asked if the park was funded from the Community Development budget, and Mr. Hamilton responded affirmatively rather than from the ad valorem tax money. President Wexler inquired if the funds would come out of the 1980 Community Development budget since the funds were already committed for 1979, and Mr. Hamilton concurred.

President Wexler inquired if there was any anticipation of such provisions for other parks in redevelopment areas which were transferred to the City, and Mr. Wilson responded that this may also apply to the Adam Rogers Park and others including the Whitney Young Playfield which were slated for conveyance. Mr. Hamilton indicated the Agency was maintaining a number of parks but wanted to be certain the Community Development budget reflected sufficient funds to meet these maintenance commitments.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.



NEW BUSINESS (continued)

- (m) Resolution No. 307-78 authorizing payment of \$1,500 to the South Folsom Law Firm for legal services provided in connection with the organization of a local development corporation, Western Addition Approved Redevelopment Project Area A-2.

This concerns payment of \$1,500 for legal services to the South Folsom Law Firm for services provided in connection with efforts to form a local development corporation related to the UDAG grant application. In accordance with an agreement between the Agency and Supervisor Ella Hutch, the Agency was to provide draft articles of incorporation, bylaws, and information on SBA 502 and Economic Development Administration (EDA) for organizational efforts. This work production has been of benefit to the Agency and the Fillmore Community Economic Development Corporation. The total billing exceeded the amount anticipated for these services and staff recommends payment of the \$1,500 based upon billings and hourly rates of \$50.

President Wexler inquired if the staff knew the identity of the partners or principals of the law firm, and Mr. Gene Suttle, Area Director for Western Addition A-2, responded that Messrs. Davis McClain and David Garcia were members of the firm.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

- (n) Resolution No. 308-78 authorizing an expenditure in an amount not to exceed \$300 for in-house printing, supplies, and graphics for rent-up information for the Wolfe House, a subsidized senior citizens' housing development, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns printing services for rent-up material for Wolfe House which is a 112-unit senior-citizen development in Yerba Buena Center. Costs are estimated not to exceed \$300 for material and services exclusive of staff time. These written notices produced at Agency expense are a requirement of the TODCO disposition agreement and will be used to reach the elderly who formerly resided in the area. President Wexler complimented the staff on the design of its brochures.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

President Wexler indicated that the meeting would be recessed for a dinner break from 7:00 p.m. to 8:00 p.m., after which time Item 9(o) would be taken up on the agenda. The meeting recessed at 7:00 p.m.

The meeting reconvened at 8:20 p.m.

President Wexler suggested that those who wished to be heard concerning the matter of the Goodman Building provide the Secretary with hearing cards.

NEW BUSINESS (continued)

- (o) Resolution No. 309-78 Authorizing a one-month's extension of the existing contract with the Western Addition Project Area Committee in an amount not to exceed \$15,291.33.

This item concerns an extension of the existing Western Addition Project Area Committee (WAPAC) contract for one month to February 1, 1979 to allow time for establishment of a schedule for a Board of Director's election consistent with the bylaws of WAPAC. The funding averages \$15,300 monthly, and it is recommended that the contract be continued at that rate.

ADOPTION: It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that this resolution be adopted.

- (p) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 714-A(1) and 714-A(3), to Alan Wofsy and Associates, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 714-A(1) and 714-A(3) to Alan Wofsy and Associates, Western Addition Approved Redevelopment Project Area A-2. President Wexler indicated that since eighteen individuals had expressed a desire to speak on the matter a time limit would be set for each speaker. President Wexler indicated that since most of the speakers represented one viewpoint, if fewer spoke they could be allowed more time. No one wished to withdraw.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that each speaker be allotted three minutes for their comments. There being no objection, it was so ordered.

Mr. Mervyn Goodman came forward and objected to imposition of the time limit because most of the speakers represented one position and urged that he and his attorney, Mr. Franklin A. Dill be allotted a longer period of time.

President Wexler indicated that three minutes would be allocated to each speaker but any questions asked by the Commissioners would not be deducted from the speaker's time.

Mr. Goodman indicated that he had provided the Secretary copies of the minutes for the Agency meetings for August 26, 1969, November 12, 1969, and July 19, 1977. Mr. Goodman indicated that he had a photostat of the \$10,000 business relocation payment and a Certificate of Preference and also indicated for the record the dates of August 24, 1964, August 20, 1967, October 18, 1975, December 21, 1976, February 8, 1977, and July 19, 1977 which pertained to his notification to the Agency of his interest either in retaining or redeveloping the Goodman Building. President Wexler recalled that Mr. Goodman had not made a proposal when the building was offered publicly in March 1977, but Mr. Goodman expressed the belief that this was an inaccurate statement because he had made several proposals which had been rejected. President Wexler indicated that only two proposals were received, one of which was from Alan Wofsy and Associates and the other from Plymouth and Associates, and that nothing had been submitted by Mr. Goodman. Mr. Goodman indicated that there was correspondence showing he had made offers on the above-mentioned dates and that former Commissioner Williams had asked if he would submit an offer

NEW BUSINESS (continued)

which he had done and which was subsequently rejected. Mr. Goodman indicated this had occurred after the building had been designated as a landmark and also alleged that the Agency had not offered back the entire property to him, only the building under conditions which were prohibitive. President Wexler commented that he had served on the Commission for the past two years and during that time there had only been one public offering of the building and two proposals had been received neither of which were from Mr. Goodman. Mr. Goodman responded that he was interested in having the entire property and not a portion of it, and that there had been a proposal to construct a high-rise building on the parcel. President Wexler explained that Mr. Goodman had not responded to the terms of the offering in March 1977, but Mr. Goodman replied he had not responded because the terms were prohibitive and he had formally made a protest.

Mr. Franklin A. Dill, attorney for Mr. Goodman, came forward and indicated his opposition to the Wofsy proposal because the ground rules had been changed. He alleged that the property had been illegally acquired, the proposed action was unfair and inequitable, and that Mr. Goodman as the holder of a Certificate of Preference was entitled to some rights. Mr. Dill indicated that the Agency's official records acknowledged both Federal and State regulations requiring that preferential rights be given to former owners and business occupants. He alleged that the Agency had ignored its own policy in this regard. He also claimed that Mr. Goodman had submitted many informal offers but the Agency had changed its rules and indicated as an example that the disposition price for this property to Mr. Goodman was \$224,000 and was now being sold to Mr. Wofsy for \$193,000. He also alleged that the Agency had required a cash bond guarantee that the building would be rehabilitated which was not in the Wofsy agreement. The Agency is allowing certain provisions to Mr. Wofsy so there can be rent subsidies but with Mr. Goodman it specified that there be a guarantee rents would remain as they were. In connection with the Certificate of Preference, Mr. Dill alleged that the Agency's agreement with Mr. Wofsy required Mr. Wofsy's recognition of Certificates of Preference after rehabilitation of the building but had not included this in the offering to Mr. Goodman. Mr. Dill believed that it would be illegal, unfair, and inequitable to proceed with Mr. Wofsy under these circumstances. In connection with division of the parcel into two, Mr. Dill believed this defeated the purpose of redevelopment because the Agency was obligated to deal with Mr. Goodman on the total parcel. He indicated that the matter had come up nine years ago and had cost the Agency \$250,000 in litigation and that the present proposal would act as a catalyst to commence further litigation.

President Wexler indicated that the present Commission had only acted to publicly offer the parcel to Mr. Goodman. Mr. Hamilton concurred in President Wexler's statement and indicated that both Messrs. Goodman and Dill were referring to actions that had occurred over a period of many years. Mr. Dill offered to submit letters documenting these allegations. President Wexler inquired the date of the last letter in which Mr. Dill claims any requirements had been placed on Mr. Goodman, and Mr. Dill replied that on January 20, 1977 the Agency had imposed rehabilitation standards on Mr. Goodman which would cause him to expend from \$250,000 to \$500,000. President Wexler asked to see this letter concerning any controls or requirements placed upon Mr. Goodman as to what he could or could not do in submitting a proposal, and Mr. Dill agreed to provide the correspondence, particularly the one containing the estimates of rehabilitation costs.



NEW BUSINESS (continued)

Mr. Irwin Mussen came forward and indicated he was a member of the Goodman Development Corporation and supported the cause of the tenants. It was his opinion that Section 8 subsidies would totally destroy the present milieu of art culture and store-front use of the Goodman Building and suggested that the Agency should use this subsidy in areas where it was more appropriate. He believed that Mayor George Moscone had also supported this proposal. He urged that the Commissioners reach a compromise with the Goodman Group which would allow Mr. Wofsy to immediately begin development of the vacant Myrtle Street flats and that the Goodman Development Corporation be given eighteen months in which to make development arrangements for the Goodman Building. He believed that this would require less time than if a disposition agreement is approved today. If the Goodman Development Corporation then fails to perform within this time limit, Mr. Wofsy could then be the redeveloper of the Goodman Building and there would be no further lawsuits from the Corporation. He indicated the Corporation's plans would assure living and working space for artists not possible to achieve using Section 8. He also believed the rents would be approximately \$100 monthly under Section 8 and the Corporation could pay the full purchase price for the building and charge approximately \$120.

Mr. Stephen Taber came forward and indicated he was the President of the non-profit Goodman Building Development Corporation which wished to provide low-cost housing for artists. He indicated that there was presently pending litigation against Mr. Wofsy for breach of contract and also there may be a potential suit to save the Goodman Building. Mr. Taber indicated the Goodman Building Development Corporation had not made a proposal because they had believed Mr. Wofsy was proceeding according to the previous agreement entered into which included the Goodman Group. According to that agreement the Goodman Building was to be maintained for low-income housing and use by the artist-residents. Mr. Taber alleged that use of Section 8 would prohibit such use. He indicated that there is also litigation pending against the Department of Housing and Urban Development (HUD) for violation of the National Environmental Policy Act. Suits are also being prepared against the Agency for inducing a breach of contract and for nonadministration of the Redevelopment Plan to conform to this project, as well as for signing a disposition agreement with Mr. Wofsy after his designation period had terminated. Mr. Taber urged the Commissioners to consider the feasibility of the proposal or compromise tendered by the Goodman Building Development Corporation.

Mr. Chester Hartman came forward and indicated he was also a member of the Goodman Building Development Corporation. He believed that a determination should be made as to what kind of city this was to be and the Agency's role was. He questioned why the Agency preferred Mr. Wofsy's proposal when he believed it would change the architecture, use of space, displace about thirty individuals, and destroy ongoing artistic endeavors. He believed Section 8 guarantees were only valid for five years but the Goodman Building Development Corporation proposal would not disturb the occupants of the building but would provide low-cost housing for the next forty years.

Mr. John Campbell came forward and indicated his support for the Goodman Group for the past five years as their architect and that the Wofsy plan did not serve artist tenants because there was no work space in the proposed modern apartments. He indicated the artists preferred the building as it was present



NEW BUSINESS (continued)

Mr. Anthony Vaughn came forward and indicated he had been associated with the Goodman Group for the past five years and had written a sixty-page poem concerning his life in the Goodman Building from which he read a few excerpts.

Ms. Shelley expressed concern that Mr. Mussen's suggestion that the property be developed separately, with Mr. Wofsy being designated developer of the Myrtle Street flats and the Goodman Group being given eighteen months' negotiating rights would represent an exclusive right to the Goodman group without going through the normal process of publicly offering the property.

Mr. Mussen responded that he believed this was an unusual situation because there was a community living in the building which should have priority and also believed that this was a priority which could constitute a possible legal action. Ms. Shelley inquired if he were referring to the Certificate of Preference Program and he responded affirmatively.

Mr. Hamilton indicated that the concept of splitting the conveyance had been considered previously but had not been presented at any time as an alternative. He noted that the Agency had the right and authority to negotiate with any party it desired and recalled that the Agency had done so with the Goodman Group which had not presented a viable proposal.

President Wexler inquired about the organization or constitution of the Goodman Group as a legal entity, and Mr. Tabor responded it was a nonprofit corporation incorporated under 501 C-3, as was the Goodman Building Development Corporation. President Wexler asked if the Goodman Group and the Goodman Building Development Corporation were the same and who composed the membership. Mr. Tabor replied the Goodman Building Corporation consisted of about fifty individuals of whom thirty lived in and used the building. President Wexler inquired if the names of the members of the Goodman Group had been submitted to the Agency and also the names of those listed in the articles of incorporation and bylaws, and Mr. Tabor responded these were available from current State public records which could be provided. President Wexler inquired if the names of the thirty or fifty members could also be supplied and Mr. Tabor answered affirmatively. He indicated that the Goodman Group was separate and it was in the process of preparing its bylaws which had not yet been ratified by its Board of Directors and that there were between nine and fifteen members of that Board but the appointments were not yet complete. President Wexler inquired if the members of the Goodman Group were also members of the Goodman Building Development Corporation, and Mr. Tabor responded affirmatively.

Mr. Porter inquired what the criteria were for membership in either organization and Mrs. Martha Senger of the Goodman Group came forward and explained that individuals who attended four of the Group's Monday evening business meetings and who were interested in art and wished to move into the building would then undertake an improvement project in the building and be eligible. The Group voted on the admission of the prospective member. The primary criteria for membership was that the applicant be engaged in artistic work and have an interest in developing the building as a cultural center. In response to Mr. Porter's inquiry about membership opportunities, Mrs. Senger indicated that there had never been an instance when a person with such qualifications had not been permitted membership. She stressed that the Group considered art

NEW BUSINESS (continued)

work in a broad sense and did not exercise a judicial function over artistic efforts.

Mr. Lee inquired if these criteria were in written form and Mrs. Senger replied they were and that the Agency could have a copy. She also indicated that the members were involved in an affirmative action program and were selecting every other member from a minority group or a woman. Mr. Porter asked if the Goodman Group had attracted artists of various ethnic backgrounds, and she replied that there were not enough minority artists in the building but a program was underway to attract more.

President Wexler indicated his understanding that in addition to selecting the tenants the Goodman Group also collected rent from them and Mrs. Senger responded that donations were accepted and used for programs. Rents were withheld in a special fund which was used for major building repairs and that the Goodman Group had recently submitted a list of receipts totaling in excess of \$21,000 to Mr. Borregard showing that the money had been expended for life, safety and other repairs since April, 1973.

Mr. Porter inquired if the Goodman Group had made decisions as to the specific work to be done on the building and the costs, and Mrs. Senger responded negatively, noting that the residents had just been asked to identify the volunteer work which they had done. She explained that the work was documented if outside contractors were used, but most of the expenditures were for materials. She mentioned such major repairs as a sprinkler system, plumbing, and electrical work.

President Wexler commented that it appeared that apart from the fourth floor which was sealed off the remainder of the building was being operated by the Goodman Group operating as a private club as though they were the legal owner by controlling admission, collecting rents, and determining the standards as to which people were suitable for entry in the building. He inquired if Mrs. Senger believed this was a correct statement, and she responded that it was not a private club but rather a facility needed for the nurturing of art and encouragement of an environment that would enrich the spirit of the residents by the sharing of experience. The withholding of rents was an interim situation and she alleged that, had the Agency accepted an offer in December, 1974, the Goodman Group would now own the building. Mrs. Senger indicated the rents only amounted to a few thousand dollars and stressed that the Goodman Group was a nonprofit organization and was not a private club and did not have a discriminatory policy.

Mr. Stafford Buckley came forward and indicated he resided and worked in the Goodman Building and he considered it important not only as a living-working area but also as a theater and display area for his art. He agreed there were few minority people in the building as it was more like a transient hotel with frequent resident changes. He believed this building was the last space for artists in the city and that it was constantly in use and that any changes would destroy the building. He urged that the Agency not take any action until the State Historical Landmarks Board made a determination on the cultural aspect of the building. He indicated that the community at large used the building and recently a performance there was attended by 100 people.

NEW BUSINESS (continued)

Mr. Lee inquired if Mr. Buckley as a tenant in the building paid rent and he responded he made a monthly donation of \$35 and that this donation was used for safety repairs and maintenance of the building. Mr. Lee inquired how much space was provided for this \$35 and he responded that he lived and worked in a room approximately 12 feet by 12 feet.

Mrs. Patricia Carey came forward and indicated that in 1971 she had spent two years in researching the history of the Goodman Building in order to save the building from demolition by the Agency. At that time there were people from all over the country living and working there and at that time it had not been a commune. She stressed that at that time the tenants paid \$50 to \$75 rent and had an efficient manager, whose presence created an environment for artists. The building was open for people of all ethnic backgrounds. She claimed that the communal group had ruined the building and its function. She indicated she had seen Mr. Wofsy's plans, which appeared to be reasonable. She suggested that the Commissioners accept Mr. Wofsy's plans.

Mr. Ed Crocker came forward and indicated he had resided in the building in 1975 and also served on the WAPAC Board of Directors. He indicated that when the Agency had become involved with the building in 1969 he knew that changes would have to be made. He believed every party of interest was at fault. He indicated his belief that the Goodman Group had made errors in implementing its desires to have a community center and that the stated purpose of the Goodman Building Development Corporation to own the Goodman Building was contrary to the tenants' interests because the original tenants had specifically rejected the idea of collective ownership. Mr. Crocker believed the issue concerned control of space in the building and that he favored the developer's proposal. He suggested that a negotiated settlement would resolve the relocation problem and believed that the Agency and the Goodman Building tenants could negotiate in good faith. Mr. Crocker indicated his belief that the city needed a community center like the Goodman Building.

Ms. Arlene Goldbard came forward and indicated she was active in community arts for fifteen years as a consultant working with the State of California to help develop a cultural policy for the state, which is a new direction. She believed the public sector recognized that planning effective cultural activities and structuring neighborhoods in which community people had participation was necessary. She believed that Mr. Wofsy's proposal would disperse not only tenants but also destroy unique housing for artists. She believed that people should have some choice as to the type of cultural activities that were needed and these should be encouraged by governmental agencies.

At this time Mr. Dill presented a letter which he believed supported his allegations.

Ms. Linda Jones came forward and indicated she was one of the original tenants in the building and had lived there for the past seven years and asked that the Commissioners consider Mr. Wofsy's plan carefully because she believed it would change the character of her home.

Mr. Richard Mayer came forward and indicated he was the West Coast Vice President for the Artists Equity Association. He believed that while there were only twenty-five individuals in the Goodman Building their impact extended



NEW BUSINESS (continued)

to the community at large. He considered artists as an endangered species and urged that the Goodman Building be continued as a preserve for them.

Mr. Mickey Imura came forward and indicated that CANE supported the Goodman Building and asked that it not be sold to Mr. Wofsy. He believed the tenants should be permitted to stay and fix the building instead of being displaced through the role of the Agency which has destroyed communities. He referred to the evictions in Japantown, the El Shabazz School, and inquired if any of the Commissioners had visited the facility, and President Wexler responded that most of them had done so. Mr. Imura believed that there was an on-going program at the Goodman Building which Mr. Wofsy's proposal would terminate. He urged the Commissioners to permit the present occupants to implement their own plans and to let them remain in the building.

Mr. J. F. Glidden came forward and indicated that he had resided in the building since 1972 and that the building was a filthy slum where there was no morale, no artists, and there was dope; however, he was impressed with the process now going on in the building that provided a place for artists and the community, making it better than it was in 1972.

Ms. Martha Senger came forward and indicated that the rents to be paid if the Goodman Group obtained the building would remain at \$100 monthly for thirty-seven spaces but if Mr. Wofsy bought the building the rents would be \$85 monthly; however, she preferred to pay \$100 to \$110 to live in an atmosphere conducive to arts. She indicated that the Goodman Group supported the compromise proposal of allowing Mr. Wofsy to develop the Myrtle Street flats and the Goodman Group have an eighteen month period to formulate a rehabilitation proposal for the building. She asked that the Commission consider it and also that Mr. Wofsy work with them in harmony.

At this point, President Wexler inquired if Mr. Dill wished to comment. Mr. Dill indicated that the October 21, 1974, letter from the Agency to Mr. Goodman stated that a requested proposal should include a statement responding to the concerns of the Board of Supervisors in retaining the nature of the present tenants. He also indicated that \$224,000 was the acquisition price and was a different amount from Mr. Wofsy's purchase price and also the letter stipulated that the Myrtle Street flats be demolished. President Wexler responded that there had been a change in the Commission since that time and a public offering had taken place in March, 1977, but there had been nothing to preclude Mr. Goodman from making an offer at that time.

Mr. Dill indicated there had been no letter which precluded Mr. Goodman from submitting an offering but alleged that on February 9, 1977 the Agency had changed the rules by making an offer of only the portion of the property with the building and Myrtle Street flats. He also believed that the artists now living in the building should be paying rent and the building be back on the tax roll. Mr. Hamilton indicated that he had reviewed the documents just submitted by Mr. Dill and that Mr. Dill had interpreted the 1974 letter correctly, which had suggested that he provide a statement responding to the Board of Supervisors' concern about saving the Goodman Building. The letter had not stated approval was conditional to achieve low-cost rents but rather this idea should be taken into consideration, and a second letter to which



NEW BUSINESS (continued)

Mr. Dill referred concerned reoffering the building to Mr. Goodman for exactly what he was paid for it. The Agency could not have offered it for less.

Mr. Niccolo Caldararo came forward to clarify remarks he had made at a previous meeting, which he alleged had been paraphrased to imply there would be a confrontation rather than conciliation, which he had intended. He indicated that the Goodman Group had always intended to be cooperative and wished to resolve the situation as a benefit to all, including the taxpayers. He believed that to give the building to someone other than the former owner was wrong and alleged that the Goodman Group was taking care of the building in an effort to save it from being demolished.

Ms. Maya Cain came forward as a representative of the Oakland Center for Visual Arts and indicated that the Goodman Group was an inspiration for local artists. She commented that artists needed a great deal of working space and little living space and that the Goodman Building provided this. She believed artists had a right to remain there because of shortage of such space in the city.

There being no further persons wishing to appear in connection with this matter, President Wexler declared the public hearing closed.

President Wexler announced that the meeting would be recessed for fifteen minutes. The meeting recessed at 10:15 p.m. The meeting reconvened at 10:30 p.m.

- (p) Resolution No. 310-78 ratifying publication of notice of public hearing for Parcels 714-A(1) and 714-A(3) and authorizing execution of agreement for disposition of land and improvements for private housing rehabilitation and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item concerns execution of a disposition agreement with Mr. Alan Wofsy and Associates for the property located at 1116 Geary Street and 238-48 Myrtle Street for \$196,000. Mr. Wofsy has had assurances from HUD that Section 8 funds will be available for rental subsidies and he is now ready for the Agency to proceed with execution of the disposition agreement. The disposition agreement differs in some aspects from the standard form of agreement in such matters as recognition of the historic preservation of the Goodman Building, phased take-down which would enable the Myrtle Street flats to be conveyed separately, occupancy priorities, and definition of relocation responsibilities.

Mr. Hamilton recalled that on April 6, 1973 the Agency had purchased the Goodman Building in accordance with the Redevelopment Plan and subsequently it was decided the building could be preserved. Three alternatives have emerged for the future of the Goodman Building, as follows: (1) the Goodman Building can be rehabilitated by a private developer or non-profit organization with Section 8 Federal rent subsidies so low-to-moderate-income persons could afford to live there; (2) the building could be rehabilitated by a private developer or non-profit organization with nonsubsidized rental rates; or (3) it could be demolished and the site developed for housing or some other appropriate use.

NEW BUSINESS (continued)

Mr. Hamilton indicated that the Agency had attempted to achieve one of these above-mentioned alternatives since 1964 when the property was first acquired. Only one developer had submitted a feasible proposal in reply to several offerings of the property prior to 1977 and this developer stated he was frustrated by the litigation, relocation, and demolition problems and in 1976 requested and received release from the disposition agreement signed in 1970. After public offering of the building, two proposals were received by May 16, 1977, which did not include either the Goodman Group or Mr. Mervyn Goodman. One proposal was submitted by Plymouth Associates and the other by Alan Wofsy and Associates. Mr. Hamilton indicated that Mr. Wofsy was designated as developer for a limited period and, although the offering by the Agency was for market-rate housing, Mr. Wofsy proposed the use of Section 8 Federal rent subsidy funds, if these were available. Mr. Wofsy has been persistent, conscientious, and responsible in fulfilling his obligations and commitments to date and his plans for rehabilitation have been reviewed and have been found satisfactory in retaining the building's architectural and historical features. Interior changes include the addition of individual bathrooms and kitchen facilities for each living unit and proposed retention of the distinctive interior fourth-floor, skylighted studio room to be used as a community activity room. The present ground-floor stores and spaces for artistic and cultural activities will also be retained.

Mr. Hamilton indicated that over a long period of time extensive efforts had been made to obtain a feasible proposal from the Goodman Group. Prior to that time, negotiations had been with Mr. Mervyn Goodman, the former owner, but these were also unsuccessful and a public offering was made on March 15, 1977. Mr. Hamilton indicated that HUD concurred in the "as is" value of the land and building at \$196,000 with \$150,000 attributed to the Goodman Building and \$46,600 for the adjacent Myrtle Street flats.

On June 2, 1978, Mrs. Bland Platt of the Foundation for San Francisco's Architectural Heritage wrote a letter to HUD and to the President of the Landmarks Preservation Advisory Board of San Francisco in which she stated that it was Heritage's unanimous opinion that the proposed plans of Mr. Wofsy did not significantly alter the interior floor plan and that the proposed alterations appeared sensitive and would enhance the livability of the building as a whole. Mr. Hamilton indicated that staff had just received several requests to delay action on the disposition agreement with Mr. Wofsy until after the California State Historical Resources Commission conducted another hearing on cultural aspects of the Goodman Building. The building is presently on the National Register because of its architectural value of the facade, but an amendment is again proposed to consider its significance as a cultural asset. Staff does not consider this hearing a sufficient reason to delay execution of the disposition agreement with Mr. Wofsy. Mr. Hamilton indicated that the disposition agreement required the developer to comply with additional requirements placed upon the building as a result of the January 5, 1979 hearing, or any other change in the law prior to actual conveyance of the property to Mr. Wofsy. Mr. Hamilton indicated it was important to note that the agreement contained a provision giving first rights of occupancy to former residents of the Goodman Building. Subsequent to approval of the agreement, Mr. Hamilton indicated it was staff's intention to propose a detailed policy for exercising these reentry rights. The relocation staff would meet with the

NEW BUSINESS (continued)

current residents to review the final provision of the policy which calls for first rights of reentry to be extended to persons currently in the building who have maintained continuous occupancy since April 6, 1973 when the Agency acquired ownership of the structure. A second level of priority will be given to current occupants who have lived there consistently since the date on which the Agency had expressed interest in rehabilitation of the Goodman Building. This priority will recognize that occupants at that time may have remained there in anticipation of permanent occupancy.

Mr. Hamilton indicated this proposal would be referred to WAPAC and authorized by the Commissioners since it was a deviation from Agency policy as expressed in the approved certificate program. Mr. Hamilton indicated that since Mr. Wofsy had fulfilled all requirements it was recommended that the disposition agreement be approved.

Mr. Alan Wofsy came forward and indicated that the allegations and arguments advanced by the former owner and present tenants of the Goodman Building were familiar to the Commissioners but were unknown to him prior to the public offering in February 1977. According to those individuals a public offering should not have been made. Mr. Wofsy expressed the belief that there was no merit to the purported ownership rights of either Mr. Goodman or the tenants of the Goodman Building. Mr. Wofsy indicated concern about Mr. Tabor's statements regarding legal actions against him by the Goodman Group. He believed he had at all times acted honorably toward the Goodman Group and that these allegations were groundless and self-serving. He noted that the Goodman Group had objected to his designation as developer in July 1978 after Mrs. Senger had signed an agreement with him. Mr. Wofsy indicated his belief that the Goodman Group was being advised by unethical attorneys. He believed a rental of \$35 was ludicrous and that few artists could find a studio for that low rental fee and Mr. Wofsy believed that the seven legal tenants now has become a total of thirty tenants living in a rooming house being run without accountability to the public. His other point was that basically the Goodman Group had resorted to extortion or blackmail and had filed a complaint against him and threatened others. He indicated he had extensive experience in dealing with neighborhood groups but he was unaccustomed to dealing with duplicity. Mr. Wofsy indicated that the Goodman Group was resisting the renovation proposal because it believed it would lose its privileges. He stated that he had met with the Goodman Group on April 10, 1977 before the proposals were required to be submitted to the Agency on May 17, 1977. He had been told that the agreement signed by Mrs. Senger had to be signed by a member of the Board but Mr. Niccolo Caldararo was on a European vacation and had subsequently indicated he was not interested in dealing with a private developer and, therefore, had refused to sign the agreement as Ms. Newman refused also. Mr. Wofsy indicated that there had been ample opportunity for the Goodman Group to have submitted a proposal.

In regard to the physical characteristics of the Goodman Building, there had been references made that it was similar to the Chelsea Hotel in New York which houses artists who live and work in the same building. Critics had told him that by installing kitchens and bathrooms the community lifestyle which made artists productive would be destroyed. Mr. Wofsy indicated that the Chelsea Hotel provided both kitchens and bathrooms as well as privacy which apparently was conducive to greater artistic productivity. Mr. Wofsy urged the Commissioners to act affirmatively on the agreement.



NEW BUSINESS (continued)

Ms. Shelley indicated that Ms. Senger had stated that Mr. Wofsy had demanded that the agreement signed between him and the Goodman Group on April 26, 1977 be torn up as a condition prior to entering into any discussion with the Goodman Group. Since this represented a contradiction she inquired of Mr. Wofsy if he had actually asked the Goodman Group to repudiate that agreement, and Mr. Wofsy explained that he had stated as a condition for subsequent discussions that the Goodman Group acknowledge that the agreement was withdrawn.

Mr. Wofsy indicated that at the June 6, 1978 meeting of WAPAC, Ms. Senger and Mr. Caldararo stressed that the Goodman Group was opposed to his development and to himself. He believed that the litigation was based on false statements made by Ms. Senger and that he had previously informed the Goodman Group he would not negotiate with it as long as extortion, blackmail, and the threat of litigation was resorted to by that group. In response to Ms. Shelley's inquiry, Mr. Wofsy stated that he had never indicated the agreement was to be torn up as a precondition to discussions with the Goodman Group.

Ms. Senger came forward and Ms. Shelley asked her to either confirm or deny Mr. Wofsy's statement regarding this agreement, and Ms. Senger responded Mr. Wofsy had requested that the Goodman Group disavow that there was an agreement but this was never done by the Goodman Group. She alleged that the agreement was ratified after considerable study and also that the Goodman Group had released its architectural drawings and assets to Mr. Wofsy.

Mr. Glickman inquired of Mr. Wofsy how many of the units would be subsidized under Section 8, and Mr. Wofsy responded that the application had requested that 100 percent be under Section 8. Mr. Glickman inquired if the Commissioner had been given a disposition agreement reflecting the points which were summarized in the memorandum to the Commissioners, since the clauses provided that if Section 8 subsidies were unavailable the developer would have the right to proceed with market-rate housing. Mr. Glickman indicated that point concerned him. President Wexler indicated he did not personally favor that particular clause. Mr. Glickman suggested that in the event Section 8 subsidies were unavailable the Commissioners should have an opportunity again to review the proposal. He expressed concern about approving disposition of this property for use as market-rate housing.

Mr. Wofsy recalled that his proposal had called for use of the Section 8 program and he had made every effort to obtain such subsidies. Mr. Wofsy believed that as long as there was evidence of good faith in his efforts to obtain Section 8 housing he should not be penalized if it were not provided. Mr. Glickman again stressed that he would not wish to see a market-rate development for this building. Mr. Wofsy inquired if he did not get Section 8, would the property be reoffered because he believed anyone else submitting a proposal would use essentially the same floor plan as his own. Ms. Shelley indicated there was some latitude in obtaining other subsidies if Section 8 financing was unavailable and suggested the matter should come back before the Commission. She also commented that she would be unwilling to give an unqualified approval of market-rate housing on that site, and suggested that the matter could be brought back to the Commissioners for consideration. Mr. Glickman concurred and also requested that the developer apply for twenty years of Section 8 housing rather than the present five-year commitment.



NEW BUSINESS (continued)

Ms. Shelley questioned the differences in the standard form of disposition agreement and Mr. Hamilton explained that the draft version presently provided that if Mr. Wofsy would prove rehabilitation of the building was impossible then certain requirements would be waived. The agreement also required the developer to prove any additional costs attributable to affirmative action.

Ms. Shelley inquired of Mr. Wofsy if the Goodman Group or the Goodman Building Development Corporation had requested his agreement for designation as a developer of only the Myrtle Street flats and to allow them an eighteen-months' period to submit another proposal on the Goodman Building. Mr. Wofsy responded this was what had been discussed earlier and rejected--it was not a question of agreeability but because it was done under the threat of litigation, it was unacceptable to him and he believed reprehensible means were being used which precluded any fruitful discussion. He expressed concern about the renewable time limit for Section 8 and indicated that he had been willing to perform under the Commissioners' requirements as long as there was no arbitrary cutoff date in the event the proposed Section 8 was unobtainable from HUD. Mr. Lee and Ms. Shelley believed that 100 percent Section 8 was desirable, and Mr. Porter indicated that if it was unavailable the matter should be brought before the Commissioners for reexamination.

President Wexler indicated that the Agency was now the public owner of the building and was under obligation to dispose of it to the private sector. He believed that the Agency would prefer to retain the building rather than demolish it and the Commissioners had made it abundantly clear that it should be used for artists insofar as is possible. He recalled that prior to putting the building out for public offering, the Commissioners had attempted to deal with both Mr. Goodman and the Goodman Group to elicit a proposal but none was forthcoming and the building was offered publicly to any investor with \$196,000.

The response elicited only two proposals from Mr. Wofsy and Plymouth Associates and Mr. Wofsy's proposal was unanimously approved for development of market-rate housing for the Myrtle Street flats and Section 8 for the Goodman Building. President Wexler indicated that the Commissioners were concerned that low-income housing be maintained for artists if at all possible and that at the same time the building would be rehabilitated. President Wexler, therefore, recommended strongly that the two changes be considered in approving the disposition agreement; (1) Section 8 be used for the Goodman Building, and if those subsidies appear to be unavailable then the matter would come back before the Commission, and (2) that Mr. Wofsy be committed to make further application for an additional fifteen-years' period for Section 8.

In response to the Commissioners' questions, Mr. Borregard indicated it was his understanding that Section 8 does run with the land and that the property if conveyed during the first five years would bring the same obligation to the new owners; however, he would check further as to whether this was applicable to succeeding five-year periods. Mr. Borregard believed this would depend upon the Section 8 status and HUD regulations and President Wexler commented that the objective of the motion was to have Section 8 continue to be applicable to any similar successive program.

NEW BUSINESS (continued)

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and indicated that the Commissioners needed to explore the disposition agreement further in regard to affirmative action and the changes in the certificate of preference program. She believed Mr. Wofsy should also contact WAPAC and determine his total commitment to the community.

Ms. Senger came forward and requested that Mr. Joel Rubins be heard but President Wexler indicated that the public hearing had been closed. President Wexler expressed concern that there was no assurance if the property were sold after one or two years HUD would be required to continue the Section 8 subsidies requiring a new owner to assume any obligations Mr. Wofsy had assumed. Ms. Senger expressed her belief that the Goodman Group had made a proposal and she believed it was the duty of the Commissioners to look at this agreement between the Goodman Group and Mr. Wofsy.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Porter that the disposition agreement be approved subject to the Commissioners' amendments which required that in the event Section 8 subsidies or a subsequent program was unavailable that the matter be brought back to the Commissioners for consideration and that Section 8 housing assistance be in effect for a total of twenty years.

Mr. Arnold Townsend of WAPAC interrupted at that point indicating that the proposed costs for affirmative action had not been considered by WAPAC.

Mr. Borregard believed the two requirements made by the Commissioners should be clarified. These included approval of the agreement subject to availability of Section 8 and that it be in effect for twenty years and binding on future owners. Mr. Glickman concurred in this summary.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Porter that this resolution be adopted and that the disposition agreement be approved subject to the Commissioners' amendments which required that in the event Section 8 subsidies or a subsequent program was unavailable that the matter be brought back to the Commissioners for consideration and that Section 8 housing assistance be in effect for a total of twenty years, and on roll call the following voted "Aye":

Ms. Shelley  
Ms. Blomquist  
Mr. Glickman  
Mr. Lee  
Mr. Porter  
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

MATTERS NOT APPEARING ON AGENDA

President Wexler indicated there was one off-agenda item and thanked all present for their patience. At this point, Ms. Rogers objected strenuously to the security search when she returned to the building after the dinner break.

- (a) Resolution No. 312-78 authorizing the Executive Director to request approval from the Mayor's Office of Community Development a line-item transfer in the budget for the Northeastern Waterfront Survey Area and following such approval to execute a work order change to the contract with Rockrise Odermatte Mountjoy Associates (ROMA).

Approval is requested for transfer of funds and contract authority to have further analysis performed by ROMA. The amount requested is \$8,400.

Ms. Blomquist indicated that she understood that it was in the contract. Mr. Kernan responded that it was not but was a service that was needed. Ms. Blomquist inquired how this sum was arrived at and Mr. Kernan responded that this involved allocation of not only the time, but also the project designer and traffic studies. Ms. Blomquist expressed the belief that ROMA had funds in their contract to do this. President Wexler indicated that he felt it was of the utmost importance that the additional funds be allocated so that the work could be completed by the end of January and gone ahead on one of the most exciting developments in San Francisco and urged approval of the proposal. Ms. Blomquist expressed disappointment in the services provided by ROMA and said she would not vote for them. President Wexler believed that ROMA had performed admirably.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that this resolution be adopted, and on roll call the following voted "Aye":

Ms. Shelley  
Mr. Glickman  
Mr. Porter  
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:


None

The President thereupon declared that the motion carried.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 11:55 p.m.

Respectfully submitted,

  
Helen L. Sause  
Secretary

